DOCUMENT RESUME

ED 482 978 HE 036 323

TITLE	Fundamentals of Title IV Administration: From Applying to Creating Reports, 2003-2004.
INSTITUTION	Office of Federal Student Aid (ED), Washington, DC.
PUB DATE	2003-00-00
NOTE	308p.
AVAILABLE FROM	ED Pubs, P.O. Box 1398, Jessup, MD 20794-1398. Tel: 877-433-7827 (Toll Free); Fax: 301-470-1244; Web site: http://www.edpubs.org/.
PUB TYPE	Guides - Classroom - Teacher (052) -- Guides - Non-Classroom (055)
EDRS PRICE	EDRS Price MF01/PC13 Plus Postage.
DESCRIPTORS	*Administration; *Federal Aid; Federal Regulation; Student Financial Aid
IDENTIFIERS	Free Application for Federal Student Aid

ABSTRACT

This document provides a Fundamentals of Title IV Administration Workshop Agenda. The agenda includes an introduction and high level overview: the process in general; history of the programs; laws and regulations; and overview of the programs. Following this is a section on applying to participate and understand your school's responsibilities which covers the following topics: being an eligible institution; applying to participate; signing a program participation agreement; and administering programs in accordance with the law and regulations. Next is a section on getting ready to administer the programs which includes: developing policies and procedures; preparing for fiscal obligations; and getting ready to participate electronically. A section on processing student applications is also included which covers: understanding student eligibility; completing the FAFSA correctly; calculating the expected family contribution; using information from output documents--ISIR/SAR; verifying information submitted on the FAFSA; package aid for the student; eliminating overawards; making adjustments and recalculations; and exercising professional judgment. The next section discusses disbursing aid to students which addresses: understanding when a disbursement occurs; conducting entrance counseling; disbursement when student is eligible; making late disbursements when applicable; reporting Pell grant disbursements to RFMS; notifying students; providing Title IV credit balances to students; and correcting/collecting overpayments. The last two sections cover student exits (providing loan exit counseling; preparing and sending student status confirmation records; and calculating and returning Title IV funds when student withdraws) and creating reports (preparing, providing, and sending required reports). (Author/MA)

Reproductions supplied by EDRS are the best that can be made
from the original document.

HE AANW 0118

ED 482 978

FUNDAMENTALS OF TITLE IV ADMINISTRATION

from Applying to Creating Reports

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

HE036323

FSA
FEDERAL
STUDENT AID

We Help Put America Through School

BEST COPY AVAILABLE

2003-2004

FUNDAMENTALS OF TITLE IV ADMINISTRATION

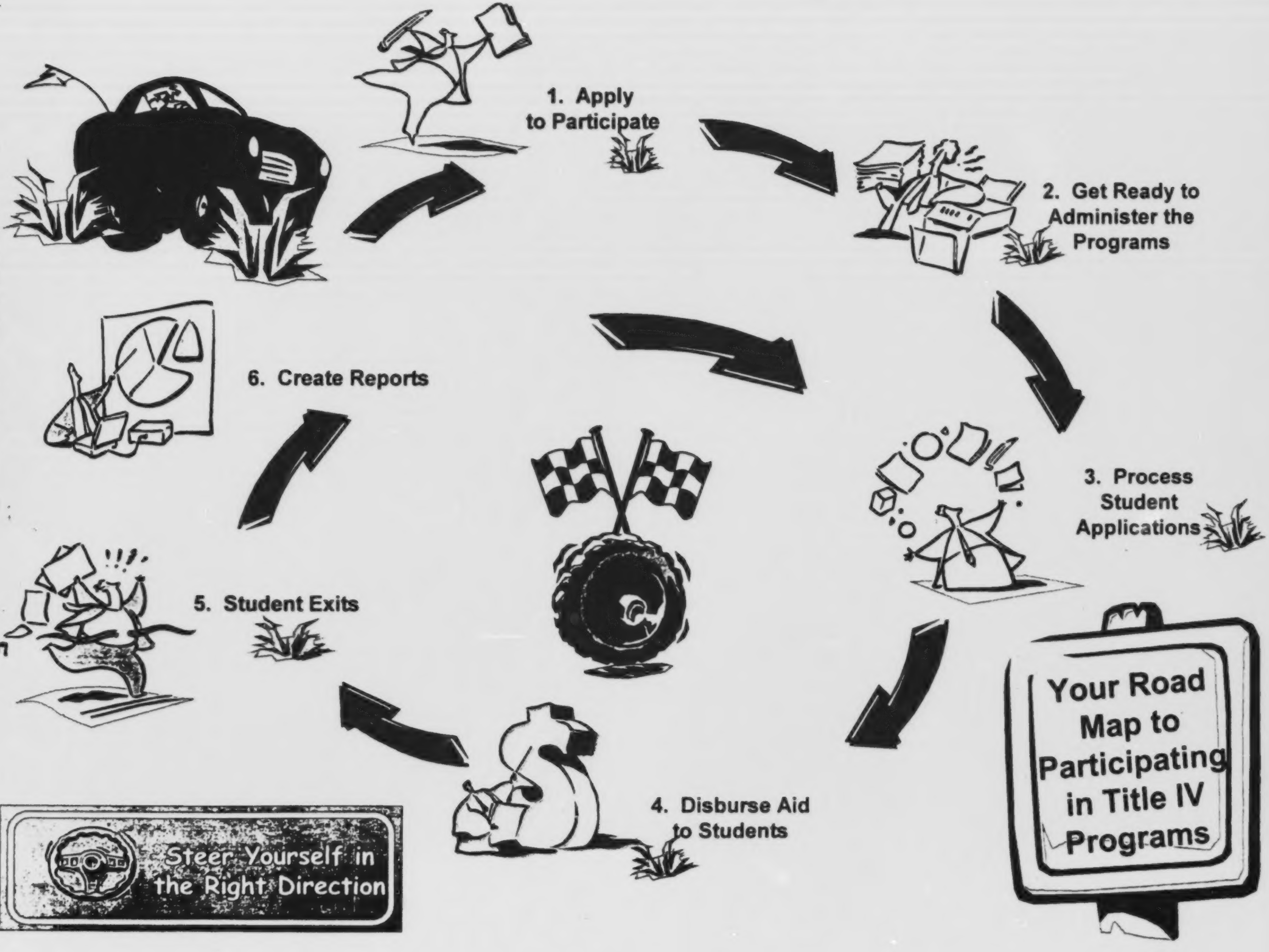
from Applying to Creating Reports

FSA
FEDERAL
STUDENT AID

We Help Put America Through School

Introduction Bingo

Is associated with a cosmetology school Name:	Has an E-mail address Name:	Is associated with a public institution Name:	Use a second language in your work daily Name:	Is associated with a nursing school Name:
Offers programs in clock hours Name:	Has worked in financial aid for more than 1 year Name:	Knows what an FSEOG is Name:	Currently has a student loan Name:	Is associated with a computer training institution Name:
Uses IFAP regularly Name:	Has traveled more than 1,000 miles to attend this workshop Name:	Description: Name:	Has worked in financial aid less than 1 year Name:	Has read a Dear Colleague/ Partner Letter Name:
Can tell a joke Name:	Has worked in financial aid less than 1 month Name:	Has called 1-800-4FedAid Name:	Knows what an FWS award is Name:	Is associated with a massage school Name:
Has read a Federal Register Name:	Knows the 2003-2004 maximum Pell Grant amt. Name:	Is associated with a private institution Name:	Has personally used FAFSA on the Web Name:	Currently has a PLUS loan Name:



Your Road Map to Participating in Title IV Programs

1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports

Steer Yourself in the Right Direction

BEST COPY AVAILABLE

Fundamentals of Title IV Administration Workshop Agenda

Monday through Thursday	9:00 – 5:00
Friday	9:00 – 1:00

(NOTE: CEO/President must attend 9:00 – 5:00 Monday & Tuesday, and FAA must attend all sessions if attending for certification purposes.)

DEPARTMENT OF EDUCATION UNITED STATES OF AMERICA

Introduction and High Level Overview

The Process in General
History of the Programs
Law and Regulations
Overview of the Programs

Apply to Participate and Understand Your School's Responsibilities

Be an Eligible Institution
Apply to Participate
Sign a Program Participation Agreement
Administer Programs in Accordance with the Law and Regulations

Get Ready to Administer the Programs

Develop Policies and Procedures
Prepare for Fiscal Obligations
Get Ready to Participate Electronically

Process Student Applications

- Understand Student Eligibility
- Complete the FAFSA correctly
- Calculate the Expected Family Contribution
- Use Information from Output Documents - ISIR/SAR
- Verify Information Submitted on the FAFSA
- Package Aid for the Student
  - Calculate Pell Grants
  - Award Federal loans
  - Award Campus-Based Funds
- Eliminate Overawards
- Make Adjustments and Recalculations
- Exercise Professional Judgment

Disburse Aid to Students

- Understand When a Disbursement Occurs
- Conduct Entrance Counseling
- Disburse When Student Is Eligible
- Make Late Disbursements When Applicable
- Report Pell Grant Disbursements to RFMS
- Notify Students
- Provide Title IV Credit Balances to Students
- Correct/Collect Overpayments

Student Exits

- Provide Loan Exit Counseling
- Prepare and Send Student Status Confirmation Records
- Calculate and Return Title IV Funds When student Withdraws

Create Reports

- Prepare, Provide, and Send Required Reports

Form approved
OMB #1880-1529
Exp. date 11/30/2003

SFA
UNIVERSITY

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

STUDENT FINANCIAL ASSISTANCE
Training Satisfaction Survey

Thank you for taking a moment to answer the following questions. We will use this to evaluate and improve our training and materials. Any information you provide is confidential.

Course ________________________________ Date __________

Location ____

Trainer name(s) ____

Your type of institution: ☐ Public ☐ Private ☐ Proprietary
☐ Undergraduate/Graduate ☐ Clock Hour/Credit Hour

Length of time in financial aid related responsibilities: (years/months) ________

Please complete the following statements using the scale below:

1	=	**Unacceptable**
2	=	**Poor/less than acceptable**
3	=	**Moderate/Acceptable**
4	=	**Good/More than acceptable**
5	=	**Outstanding/Much more than acceptable**
N/A	=	**Not applicable/Unknown/No Comment**

GENERAL

1. How well did this training meet your needs for improving your student aid operations?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

2. How well did this training meet the overall objectives stated at the beginning of the course?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

3. How well did the training announcement describe this training?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

TRAINING MATERIALS

4. How helpful were the case studies, charts and other graphic illustrations?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

5. Our goal is to provide accurate, clear and organized materials. How do you rate our materials?
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

PRESENTATION

6. Please rate the presentation and/or slide show for clarity and accuracy.
☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

7. Was enough time devoted to trainee questions and exercises?
☐ Yes ☐ No

8. What suggestions do you have to improve the trainers' presentation?

TRAINING LOGISTICS AND MISCELLANEOUS

9. What additional training would you like us to provide?

10. What comments do you have about the workshop's location and training room?

ADDITIONAL COMMENTS AND SUGGESTIONS

You can now provide your comments on this or any other training session on our Training Information page at www.ed.gov/offices/OSFAP/sfau/ or by sending us an e-mail at SFA_Training@ed.gov

Introduction and High Level Overview

U.S. Department of Education
Federal Student Aid

- The Process in General
- History of the Programs
- Law and Regulations
- Overview of the Programs

Milestones For The U.S. Department Of Education And Student Financial Assistance

Morrill Act of 1862
Encouraged states to establish public universities by providing Federal land and financial support.

1867
Department of Education was created.

1944
Government funding of higher education began with the passage of the Servicemen's Readjustment Act or G.I. Bill.

October 4, 1957
U.S.S.R. launch of first space satellite triggered the development of Title IV student aid programs.

National Defense Education Act of 1958
National Defense Student Loan (NDSL) program began as a result.

1964
College Work-Study (CWS) program began for financially needy students as a result of the Economic Opportunity Act of 1964.

Higher Education Act of 1965
Reauthorized existing student aid programs. Educational Opportunity Grant (EOG) program, the first grant program, was initiated. Guaranteed Student Loan (GSL) program was also established. Administrative authority for these programs was placed under the Department of Health, Education and Welfare (DHEW).

Higher Education Act of 1972
National Defense Student Loan was renamed National Direct Student Loan (NDSL) program. Educational Opportunity Grant became the Supplemental Educational Opportunity Grant (SEOG). Basic Educational Opportunity Grant (BEOG) began as a new grant. Reauthorized CWS program – extended GSL program. State Student Incentive Grant (SSIG) program was created. Proprietary institutions were permitted to participate in all of the Title IV student aid programs.

Higher Education Amendments of 1976
All existing programs were reauthorized. Requirement for satisfactory academic progress was introduced.

Middle Income Student Assistance Act of 1978
Basic Grant eligibility was expanded. GSL program income ceiling that had restricted eligibility was lifted.

Higher Education Amendments of 1980
All Title IV programs were reauthorized. Parent Loans for Undergraduate Students (PLUS) was created. Basic Grant renamed Pell Grant program in honor of the prime sponsor of the program, Senator Claiborne Pell.

May 4, 1980
U.S. Department of Education was established.

Omnibus Budget Reconciliation Act of 1981
Reduced funding for student financial aid. PLUS renamed Auxiliary Loans to Assist Students (ALAS).

Defense Authorization Acts of 1982 and 1983
Tied aid eligibility for males born on or after January 1, 1960, to Selective Service registration.

Technical Amendments of 1982, 1983, and 1984

Established the annual Pell Grant cost of attendance and award maximums, defined the independent student, and prescribed information that institutions must disclose to student loan recipients.

Consolidated Omnibus Reconciliation Act (COBRA) of 1985

Signed on April 7, 1986, made major changes in the Title IV programs. Some of these changes include:

- Requirement that all undergraduate GSL applicants have their eligibility or ineligibility for a Pell Grant determined prior to their receipt of GSL loan proceeds for the award year,
- Restriction on the receipt of any Title IV funds by students who were in default on a Title IV grant, and
- Requirement that GSL and PLUS loans be disbursed in multiple payments.

Higher Education Amendments of 1986 and the Technical Amendments of 1987

Signed into law on October 17, 1986, made major changes to the Title IV student aid programs. Some of the most significant changes resulting from this legislation included:

- Introduction of master calendar for certain functions of the Department of Education
- New Title IV standards for dependency status and for satisfactory academic progress
- Changed ability-to-benefit provisions
- Two need analysis methodologies incorporated into law
- A Simplified Needs Test established
- New time limits on the duration of student eligibility for a Pell Grant
- Renaming of the NDSL program as the Perkins Loan program.

New selection criteria for the Perkins Loan and SEOG programs:

- New loan program called the Supplemental Loans for Students (SLS) began
- Pilot testing of a new loan program called the Income Contingent Loan (ICL) program
- Expansion of the areas in which aid administrators may use professional judgment.

Higher Education Amendments of 1988

Signed into law in 1988. Guaranteed Student Loan (GSL) program was renamed the Stafford Loan program. For SLS loans certified after August 17, 1988, the borrower must have received a determination of eligibility for a Pell grant and a determination of need for a Stafford Loan. SLS loans made after October 1, 1988, must be disbursed in multiple payments.

Omnibus Budget Reconciliation Act of 1989

General Provisions:

- Amended to clarify that financial aid administrators may use professional judgment in determining financial aid award only on a case-by-case basis and not adjust award amounts for groups of students.
- An institution cannot be certified or recertified as eligible if it has lost its accreditation during the preceding 24 months, unless the accreditation has been restored or the institution demonstrates its academic integrity.
- If an institution of higher education is in the process of receiving new accreditation or changing its accrediting agency, its accreditation will not be recognized (for the purpose of eligibility for Pell Grant, Campus-Based (CB), Income Contingent Loan (ICL), or State Student Incentive Grant (SSIG) unless the institution submits all materials related to the prior accreditation.

In order to be eligible for any program other than SSIG or Byrd Scholarships, an institution that admits students on the basis of their ability to benefit must make available to these students a high school equivalency program.

Omnibus Budget Reconciliation Act of 1990

General Provisions: A student admitted on the basis of ability to benefit must pass an independently administered test.

Guaranteed Student Loan Programs: Schools will be ineligible for the GSL program if their default rate is 35% or higher (30% or higher for FY 93 and beyond).

Higher Education Technical Amendments of 1991

Desert Storm:

- Defines “individual serving on active duty in connection with Operation Desert Shield or Operation Desert Storm”
- Schools should give full refunds to those on active duty for Desert Shield or Storm
- Some reservists qualify for “special condition”
- Administrative requirements related to loans should be reduced as much as possible
- Adjusts GSL deferments for reservists
- Extends deferments for Perkins or NDSL loans
- Incomplete periods of instruction won’t be counted for determining length of Pell Grant eligibility.

General Provisions:

- “Ability-to-benefit” testing provision changed from institutional eligibility to student eligibility requirement
- Eliminates statute of limitations on collections of loans or overpayments of other aid.

Guaranteed Student Loan Program:

Schools can refuse to certify loan applications, or certify for a smaller loan, if they document the reason and provide it to the student in writing.

Higher Education Amendments of 1992

Reauthorized the programs for six years. Established Federal Direct Loan Demonstration Program, under which ED would assume functions normally performed by lenders and guaranty agencies in the FFEL program. Added new Program Integrity Provisions. Made many changes to the programs including:

- replacing the two existing need analysis formulas with a single formula for all title IV student aid
- revising the definition of independent student
- requiring a single, free, stand-alone application for title IV student aid
- establishing unsubsidized Stafford loan program
- requiring FFEL lenders to offer graduated repayments or cancellation of loan if school closed
- requiring all guaranty agencies to have loan rehabilitation program
- requiring ED to develop common loan forms.

ICL Program

Program ended March 31, 1993.

Omnibus Budget Reconciliation Act of 1993

General Provisions:

The Omnibus Budget Reconciliation Act of 1993 was signed into law by President Clinton on August 10, 1993. Numerous changes affecting the Federal Family Education Loan (FFEL) Program under Title IV, Part B of the Higher Education Act of 1965, as amended (HEA), were made by this legislation. The new law also established requirements for transition of the FFEL Program to the Federal Direct Student Loan (FDSL) Program.

Balanced Budget Act of 1997

Eliminated the $10 loan origination fee paid to Direct Loan institutions:

- Reduced funding for the Department's Direct Loan program administration
- Prescribed formula for calculation of administrative cost allowances payable to guaranty agencies.

Taxpayer Relief Act (1997)

- HOPE Scholarship tax credit (up to $1,500) for each of the first two years of college
- Lifetime Learning tax credit equal to 20% of the first $5000 of tuition and fees
- Tax deduction for interest paid on student loans
- Education IRAs for tax-free savings for college
- Penalty-free withdrawals from existing IRAs for higher education expenses
- Greater flexibility for families living in qualified state pre-paid tuition plans
- Income exclusion for up to $5,250 in employer education benefits
- Tax-free loan forgiveness for community service

Higher Education Amendments of 1998

Signed into law on October 7, 1998, made changes to the Title IV student aid programs.

How Legislation Is Numbered

When reading the law, you should be aware that it has a unique numbering system. For example:

P.L. 105-244 (10/7/98) reauthorized the Higher Education Act of 1965

Title IV, Part G - General Provisions

- **Subpart (Arabic numerals when used)**
- **Section 484 - Student Eligibility**
- **Subsection (c) - Satisfactory Progress**
- **Paragraph (1)**
- **Subparagraph (A)**
- **Division - lower case Roman - (i), (ii), (iii)**
- **Clause - upper case Roman - (I), (II), (III)**

☆ **Example: Sec. 484(c)(1)(A)**

(This is an excerpt from the Higher Education Act, as amended)

SEC. 484. [20 U.S.C. 1091] STUDENT ELIGIBILITY.

(a) IN GENERAL.—In order to receive any grant, loan, or work assistance under this title, a student must—

(1) be enrolled or accepted for enrollment in a degree, certificate, or other program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487, except as provided in subsections (b)(3) and (b)(4), and not be en-rolled in an elementary or secondary school;

(2) if the student is presently enrolled at an institution, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with the provisions of sub-section (c) ...

(c) SATISFACTORY PROGRESS.—

(1) For the purpose of subsection (a)(2), a student is maintaining satisfactory progress if—

(A) the institution at which the student is in attendance, reviews the progress of the student at the end of each academic year, or its equivalent, as determined by the institution, and

(B) the student has a cumulative C average, or its equivalent or academic standing consistent with the requirements for graduation, as determined by the institution, at the end of the second such academic year.

(2) Whenever a student fails to meet the eligibility requirements of subsection (a)(2) as a result of the application of this sub-section and subsequent to that failure the student has academic standing consistent with the requirements for graduation, as determined by the institution, for any grading period, the student may, subject to this subsection, again be eligible under subsection (a)(2) for a grant, loan, or work assistance under this title.

(3) Any institution of higher education at which the student is in attendance may waive the provisions of paragraph (1) or paragraph (2) of this subsection for undue hardship based on—

(A) the death of a relative of the student,

(B) the personal injury or illness of the student, or

(C) special circumstances as determined by the institution.

SEC. 485. [20 U.S.C. 1092] INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

(a) INFORMATION DISSEMINATION ACTIVITIES.—(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students (including those attending or planning to attend less than full time) regarding the institution and all financial assistance under this title. The information required by this section shall be produced and be made readily available upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student. Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (also referred to as the Family Educational Rights and Privacy Act of 1974), together with a statement of the procedures required to obtain such information. The information required by this section shall accurately describe—

...

(K) the standards which the student must maintain in order to be considered to be making satisfactory progress, pursuant to section 484(c)(2) . . .

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
1985

Federal Register

Wednesday,
November 1, 2000

Part IX

Department of Education

34 CFR Parts 600, 668, 675, and 690
Institutional Eligibility; Student Assistance General Provisions; Federal Work-Study Programs; and the Federal Pell Grant Program; Final Rule

DEPARTMENT OF EDUCATION

34 CFR Parts 600, 668, 675, and 690

RIN 1845–AA19

Institutional Eligibility; Student Assistance General Provisions; Federal Work-Study Programs; and the Federal Pell Grant Program

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends the Institutional Eligibility, the Student Assistance General Provisions, the Federal Work-Study (FWS) Programs, and the Federal Pell Grant Program regulations. These final regulations implement changes negotiated under the negotiated rulemaking process mandated by Congress under section 492 of the Higher Education Act of 1965, as amended, (HEA). These changes streamline the application, reapplication, and certification processes for institutions that wish to participate in the title IV, HEA programs and provide simplification and flexibility in other provisions of the regulations that apply to the title IV HEA programs.

DATES: *Effective Date:* These regulations are effective July 1, 2001.

Implementation Date: The Secretary has determined, in accordance with section 482(c)(2)(A) of the HEA (20 U.S.C. 1089(c)(2)(A)), that institutions that administer title IV, HEA program funds may, at their discretion, choose to implement §§ 600.31, 668.5 and 675.19 on or after November 1, 2000. For further information see "Implementation Date of These Regulations" under the **SUPPLEMENTARY INFORMATION** section of this preamble.

FOR FURTHER INFORMATION CONTACT: Mark Washington, U.S. Department of Education, 400 Maryland Avenue, SW., Room 3045, ROB–3, Washington, DC 20202–5447. Telephone: (202) 260–9321.

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1–800–877–8339.

Individuals with disabilities may obtain this document in an alternative format (*e.g.*, Braille, large print, audiotape, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT**.

SUPPLEMENTARY INFORMATION: On August 10, 2000 the Secretary published a notice of proposed rulemaking (NPRM) for Institutional Eligibility, Student Assistance General Provisions, Federal Work-Study Programs (FWS), Federal Family Education Loan (FFEL) Program, William D. Ford Direct Loan (Direct Loan) Program; and the Federal Pell Grant Program, in the **Federal Register** (65 FR 49134).

In the preamble to the NPRM, the Secretary discussed on pages 49135 through 49147 the major changes proposed in that document. These included the following:

- Revising §§ 600.20 and 600.21, amending §§ 600.10 and 600.31, and removing §§ 600.9 and 600.30 to streamline the application, reapplication and certification processes for institutions that wish to participate in the title IV, HEA programs (pages 49149–49152).
- Revising § 600.31 to clarify the reporting responsibilities for institutions that undergo a change of ownership that results in change of control (pages 49151–49152).
- Revising § 668.5 to expand the possibilities for institutions to create written agreements with certain other entities to have part or all of their eligible programs provided by those entities (pages 49152–49153).
- Adding flexibility in § 668.13 to the training requirements for institutional certification (page 49153).
- Revising in § 668.19 the process for obtaining a transfer student's financial aid history (page 49153).
- Revising § 675.19 to permit additional certification and record retention options for FWS program administration (pages 49153–49154).
- Providing in §§ 682.604 and 685.301 additional flexibility in the loan disbursement rules for students enrolled in non-traditional programs (page 49154).
- Clarifying in § 668.165 the notification requirements when title IV loan proceeds are credited to a student's institutional account (page 49154).
- Adding flexibility in § 682.207 to lender disbursement requirements and eligibility determinations for students receiving loan proceeds under the FFEL Program (page 49154).

In these final regulations, we make two significant changes from the regulations that we proposed in the NPRM published on August 10, 2000. First, we will require all institutions to report to us of their intent to add a location offering 50 percent or more of an eligible program, regardless of the type of institution. A small number of institutions—those that meet one or more of the specified conditions discussed later in the analysis of comments—will have to await our approval of the new location before disbursing title IV, HEA program funds to students at that location. Other institutions must report to us their intent to add additional locations, but are not required to wait for our approval of those locations.

Second, public institutions must report changes in governance to us within 10 days of their occurrence.

The Secretary published an NPRM on July 27, 2000, for parts 682 and 685 in the **Federal Register** (65 FR 46316). In the preamble to that NPRM, the Secretary discussed (on pages 46317–46320) proposed changes to the FFEL and Direct Loan regulations. In order to consolidate the final regulations for the FFEL and Direct Loan programs into a single **Federal Register** publication, those proposed provisions of parts 682 and 685 that were published in the August 10, 2000 NPRM are now included as a part of the final regulations that respond to the July 27, 2000 NPRM. We strongly encourage the reader to refer to the preambles from both of the NPRMs for a full discussion of these regulations.

Implementation Date of These Regulations

Section 482(c) of the HEA requires that regulations affecting programs under title IV of the HEA be published in final form by November 1 prior to the start of the award year (which begins July 1) to which they apply. However, that section of the HEA also permits the Secretary to designate any regulation as one that an entity subject to the regulation may choose to implement earlier. If the Secretary designates a regulation for early implementation, he may specify when and under what conditions the entity may implement it. Under this authority, the Secretary has designated the following regulations for early implementation:

Section 600.31—Change of Ownership Resulting in a Change of Control for Private Nonprofit, Private For-Profit and Public Institutions

These regulations may be implemented upon publication of this final rule. This means that if an institution is subject to loss of eligibility due to a change in ownership that results in a change of control, it may ask the Secretary to permit it to continue to participate in the title IV, HEA programs on a provisional basis, provided that the institution submits a materially complete application.

This early implementation also changes the definition of "ownership interests" to exclude certain institutional investors, and clarifies when a shareholder would be deemed a controlling shareholder for change of control issues.

Early implementation means that public institutions that experience a change in governance will not be considered to have undergone a change in ownership resulting in a change of control, but these institutions must report such changes within ten days of the occurrence.

Finally, early implementation means that the provisions that define more clearly ownership in a publicly-traded institution will be in effect.

Section 668.5—Written Arrangements To Provide Educational Programs

These regulations may be implemented by institutions upon publication of this final rule. This means that a school may use a single written arrangement with a study-abroad organization to represent agreements between the school and one or more foreign schools. Also, any of the eligible institutions that are parties to a written arrangement may make title IV calculations and disbursements and will not be considered third-party servicers.

Section 675.19—Fiscal Procedures and Records

These regulations may be implemented upon publication of this final rule. Institutions that administer the Federal Work-Study (FWS) Programs will now have the option to certify FWS timesheets in writing or electronically. If an institution elects to use an electronic certification option, it should be certain to use the appropriate safeguards, as outlined in the NPRM at page 49145.

Analysis of Comments and Changes

The regulations in this document were developed through the use of negotiated rulemaking. Section 492 of the HEA requires that, before publishing any proposed regulations to implement programs under title IV of the HEA, the Secretary obtain public involvement in the development of the proposed regulations. After obtaining advice and recommendations, the Secretary must conduct a negotiated rulemaking process to develop the proposed regulations.

These regulations were published in proposed form on August 10, 2000, following the completion of the negotiated rulemaking process. The Secretary invited comments on the proposed regulations that were due by September 25, 2000, and we received thirty-three comments.

An analysis of the comments we received and of the changes we made in the regulations since publication of the NPRM follows.

We group major issues according to subject. We discuss other substantive issues under the sections of the regulations to which they pertain. Generally, we do not address technical and other minor changes—and suggested changes the law does not authorize the Secretary to make.

Section 600.20—Application Procedures for Establishing, Reestablishing, Maintaining, or Expanding Institutional Eligibility and Certification

Applying for Additional Locations (Permanent and Temporary)

Comments: Many commenters supported exempting public institutions from applying for approval to add an additional location at which 50 percent or more of an eligible program will be offered, if the additional location is properly licensed and accredited, and located within the same state as the main campus. Commenters opined that the exemption is warranted because the Federal government's interests are generally protected by sufficient oversight and systems of control at public institutions. Additionally, most of these commenters believed that sufficient financial backing by those governing public entities, and monitoring by accrediting agencies are suitable to ensure the academic quality of the location and to protect students who rely upon title IV assistance.

One commenter believed the exemption is appropriate because public institutions that have added locations in the past have not placed Federal funds at risk.

Another commenter generally supported the proposed exemption, but believed that the exemption should apply to an additional location even if the location is not in the same state as the main campus. That commenter believed that the reasons given by the Department for the proposed exemption for public institutions (sufficient oversight and financial backing by a public entity) are valid, regardless of whether the additional location is located in the same state as the main campus.

Six commenters did not support requiring public institutions to report a new location. The commenters contended that, because we have virtually always approved additional locations for public institutions, required reporting would create unnecessary paperwork and a potential for delay. Some of the commenters also believed that the minimal risk represented by public institutions delivering title IV, HEA assistance made reporting unnecessary.

Another commenter supported requiring public institutions to inform us of a new location. That commenter felt that six years between recertification cycles for participation in the student aid programs is too long for locations to go unreported. The commenter believed that those entities charged with oversight will improve the quality of such oversight, by having an awareness of such locations. The commenter noted that these benefits appear to outweigh the minimal burden of reporting the locations.

Several commenters opposed our proposal exempting public institutions from applying for approval of an additional location. These commenters felt that treating public institutions differently from other institutions is unwarranted, and would give an unfair advantage to public institutions by eliminating potential delays. The commenters believed that one set of criteria should be developed for all institutions.

Two commenters felt that the unfair competitive advantage referred to above would not serve the needs of students nor the public interest, because it would not produce the best range of educational offerings or encourage the most efficient use of resources. Another commenter noted that in some highly competitive disciplines, such as computer science, information technology, and business administration or executive management, even a 35 day head start (our stated goal for the length of time within which we will process applications for approval) constitutes a significant advantage in terms of public relations and market share.

Three commenters believed that there are many poorly performing public institutions and that such an exemption would unnecessarily put taxpayer funds at risk. One of these commenters was specifically concerned that the proposed exemption for public institutions would permit higher-risk public institutions, such as those on provisional certification or the reimbursement payment method, to open new locations and disburse title IV aid without our approval. The commenter felt that this scenario would contradict the purpose of provisional certification and reimbursement, which is to permit us to more closely monitor higher-risk institutions. The commenter felt that it was arbitrary and capricious to allow such high-risk public institutions to open additional locations without our approval, while denying this benefit to non-public institutions with strong foreign institution that its students are attending. The commenter believed that the ability to make agreements with study-abroad organizations will enhance the quality and consistency of information shared between home and host institutions, and will likely create more expedient delivery of the title IV, HEA program funds to students in these programs.

Discussion: We appreciate the positive responses to this proposal. We anticipate that these regulations will make it substantially easier for students to receive financial aid while enrolled in eligible domestic programs away from their home institutions. We believe that the ability for either home or host institutions to pay the student's title IV, HEA program funds is a significant feature that will enhance and expand diverse learning opportunities.

Changes: None.

Section 668.13—Certification Procedures

Comments: One commenter agreed with our proposal to permit the chief executive of an institution to designate another executive level officer to serve as an alternate for certification training purposes. The commenter also thought it made sense not to require schools to attend training when a participating institution was merely adding a new title IV, HEA program.

Discussion: We believe that all eligible, participating institutions should receive basic training about the federal regulations and procedural requirements that pertain to administering the title IV, HEA programs. We want to assure students and taxpayers that they can expect an accurate application of the program requirements and a consistent level of proficiency on the part of the institutions we authorize to deliver title IV assistance.

We regularly review the training requirements to ensure that relevance, accuracy, and practicality are reflected in the subject matter. We also seek to continually simplify the training requirements without diluting the core content, to encourage institutions to make use of these resources when assessing and maintaining the technical readiness of their staffs.

Changes: None.

Section 668.19—Financial Aid History

Comments: Several commenters supported the proposal to eliminate the paper financial aid transcript (FAT) requirements for all transfer students in favor of a process under which the National Student Loan Data System (NSLDS) provides financial aid history information about current-year transfer students directly to schools that need it for one or more of their transfer students.

Discussion: We appreciate the support of the commenters.

Changes: None.

Comments: One commenter asked whether the school or the student is liable for an overpayment of title IV aid based on the financial aid history information the school receives from NSLDS after the seven day timeframe.

Discussion: Once a school receives information that limits a student's eligibility, it may not disburse additional title IV, HEA aid to that student until the problem is revolved. As currently provided in Dear Colleague Letter GEN–96–13, a school that follows the procedures in obtaining financial aid history information from NSLDS may rely on that information in making eligibility and award determinations. The school is not liable for any overpayments. The same is true under this rule. A school that notifies NSLDS and either waits seven days or checks NSLDS on-line before it disburses title IV, HEA program funds is not liable for any overpayments based on information it receives from NSLDS at a later date.

However, a student may be liable for any overpayment that is the result of information the school receives after it follows the procedures in these rules. This concept is explained more fully in Dear Colleague Letter GEN–96–13.

Changes: None.

Comments: One commenter suggested that the Secretary designate this regulation as one that a school may implement as soon as it is published as a final rule instead of waiting until it normally takes effect on July 1, 2001.

Discussion: We are currently discussing with schools and other partners various administrative approaches that could be used to implement this rule. After we complete those discussions, system improvements and enhancements need to be made to NSLDS before schools can use it for this purpose. Therefore, it is unlikely that we will have the systems support needed to implement the new provisions before July 1, 2001.

Changes: None.

Comments: One commenter stated that the NSLDS information on an Institutional Student Information Record (ISIR) should be current with all financial aid transactions contained in NSLDS. This case requires no distinction between current-year and prior-year transfer students with respect to the ISIR information a school uses to make eligibility and award determinations. The commenter further stated that if the information on an ISIR is not the same as that in NSLDS, as implied in the preamble discussion, we should provide current NSLDS information to schools via the ISIR process.

Discussion: The financial aid history information on an ISIR reflects NSLDS information as of the date that the ISIR is created. Currently, an ISIR is not updated solely to reflect disbursements of title IV aid that are reported by an NSLDS data provider. This is because, under such a process, every school that a student listed on the FAFSA would be required to receive an updated ISIR every time new disbursements were reported to NSLDS, including the school that reported those disbursements. Certainly, there is no benefit in providing to schools, at considerable costs to the taxpayers and institutions, millions of updated ISIR records that contain information they do not need.

On the other hand, we agree with the commenter's general view that there should be a single process under which a school receives updated financial aid history information for all transfer students. However, in many cases (particularly for prior-year transfer students) the updated information will not affect those students' current year eligibility or award amounts. Moreover, currently we have no way of determining which school a transfer student is attending until after NSLDS receives disbursement information identifying that school.

For these reasons, we proposed a targeted approach under which a school would inform NSLDS of the transfer students that are attending (or planning to attend) their school and NSLDS would provide, directly to that school, updated information about those students. Although these rules apply only to current-year transfer students, a school may use the new NSLDS process to receive updated information for any transfer student.

Changes: None.

Section 668.165—Notices and Authorizations

Comments: Two commenters representing a large coalition in the higher education community stated that requiring confirmation and retention of electronic notices is counter-productive, and diminishing to the efficiencies inherent in constantly advancing technologies. By comparison they noted that we do not require similar tracking and confirmation of receipt for mail sent via the U.S. Postal Service (USPS).

Discussion: After many discussions regarding the practical complications of documenting receipt of electronic mail, (ii)(A) The ineligible institution or organization provides more than 25 percent but not more than 50 percent of the educational program;

(B) The eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation; and

(C) The eligible institution's accrediting agency, or if the institution is a public postsecondary vocational educational institution, the State agency listed in the **Federal Register** in accordance with 34 CFR part 603, has specifically determined that the institution's arrangement meets the agency's standards for the contracting out of educational services.

(d) *Administration of title IV, HEA programs.* (1) If an institution enters into a written arrangement as described in paragraph (a), (b), or (c) of this section, except as provided in paragraph (d)(2) of this section, the institution at which the student is enrolled as a regular student must determine the student's eligibility for title IV, HEA program funds, and must calculate and disburse those funds to that student.

(2) In the case of a written arrangement between eligible institutions, the institutions may agree in writing to have any eligible institution in the written arrangement make those calculations and disbursements, and the Secretary does not consider that institution to be a third-party servicer for that arrangement.

(3) The institution that calculates and disburses a student's title IV, HEA program assistance under paragraph (d)(1) or (d)(2) of this section must—

(i) Take into account all the hours in which the student enrolls at each institution that apply to the student's degree or certificate when determining the student's enrollment status and cost of attendance; and (ii) Maintain all records regarding the student's eligibility for and receipt of title IV, HEA program funds.

(Authority: 20 U.S.C. 1094)

10. Section 668.8 is amended by revising paragraphs (b)(3) and (b)(4) to read as follows:

§ 668.8 Eligible program.

* * * * *

(b) * * *

(3)(i) If an institution provides an educational program using a semester, trimester, or quarter system, or in clock hours, the Secretary considers that the institution provides one week of instructional time in that program during any week the institution provides—

(A) At least one day of regularly scheduled instruction or examinations; or

(B) After the last scheduled day of classes for a term, at least one day of study for final examinations.

(ii) If an institution provides an educational program using credit hours but not a semester, trimester, or quarter system, the Secretary considers that the institution provides one week of instructional time in that program during any week the institution provides—

(A) At least 12 hours of regularly scheduled instruction or examinations; or

(B) After the last scheduled day of classes for a payment period, at least 12 hours of study for final examinations.

(4) Instructional time does not include any vacation periods, homework, or periods of orientation or counseling.

* * * * *

(Approved by the Office of Management and Budget under control number 1845–0537)

§ 668.12 [Removed and reserved]

11. Section 668.12 is removed and reserved.

12. Section 668.13 is amended by revising paragraph (a) read as follows:

§ 668.13 Certification procedures.

(a) *Requirements for certification.* (1) The Secretary certifies an institution to participate in the title IV, HEA programs if the institution qualifies as an eligible institution under 34 CFR part 600, meets the standards of this subpart and 34 CFR part 668, subpart L, and satisfies the requirements of paragraph (a)(2) of this section.

(2) Except as provided in paragraph (a)(3) of this section, if an institution wishes to participate for the first time in the title IV, HEA programs or has undergone a change in ownership that results in a change in control as described in 34 CFR 600.31, the institution must require the following individuals to complete title IV, HEA program training provided or approved by the Secretary no later than 12 months after the institution executes its program participation agreement under § 668.14:

(i) The individual the institution designates under § 668.16(b)(1) as its title IV, HEA program administrator.

(ii) The institution's chief administrator or a high level institutional official the chief administrator designates.

(3)(i) An institution may request the Secretary to waive the training requirement for any individual described in paragraph (a)(2) of this section.

(ii) When the Secretary receives a waiver request under paragraph (a)(3)(i) of this section, the Secretary may grant or deny the waiver, require another institutional official to take the training, or require alternative training.

* * * * *

(Approved by the Office of Management and Budget under control number 1845–0537)

13. Section 668.19 is revised to read as follows:

§ 668.19 Financial aid history.

(a) Before an institution may disburse title IV, HEA program funds to a student who previously attended another eligible institution, the institution must use information it obtains from the Secretary, through the National Student Loan Data System (NSLDS) or its successor system, to determine—

(1) Whether the student is in default on any title IV, HEA program loan;

(2) Whether the student owes an overpayment on any title IV, HEA program grant or Federal Perkins Loan;

(3) For the award year for which a Federal Pell Grant is requested, the student's scheduled Federal Pell Grant and the amount of Federal Pell Grant funds disbursed to the student;

(4) The outstanding principal balance of loans made to the student under each of the title IV, HEA loan programs; and

(5) For the academic year for which title IV, HEA aid is requested, the amount of, and period of enrollment for, loans made to the student under each of the title IV, HEA loan programs.

(b)(1) If a student transfers from one institution to another institution during the same award year, the institution to which the student transfers must request from the Secretary, through NSLDS, updated information about that student so it can make the determinations required under paragraph (a) of this section; and

(2) The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS, and the information it receives allows it to make that disbursement.

(Approved by the Office of Management and Budget under control number 1845–0537)

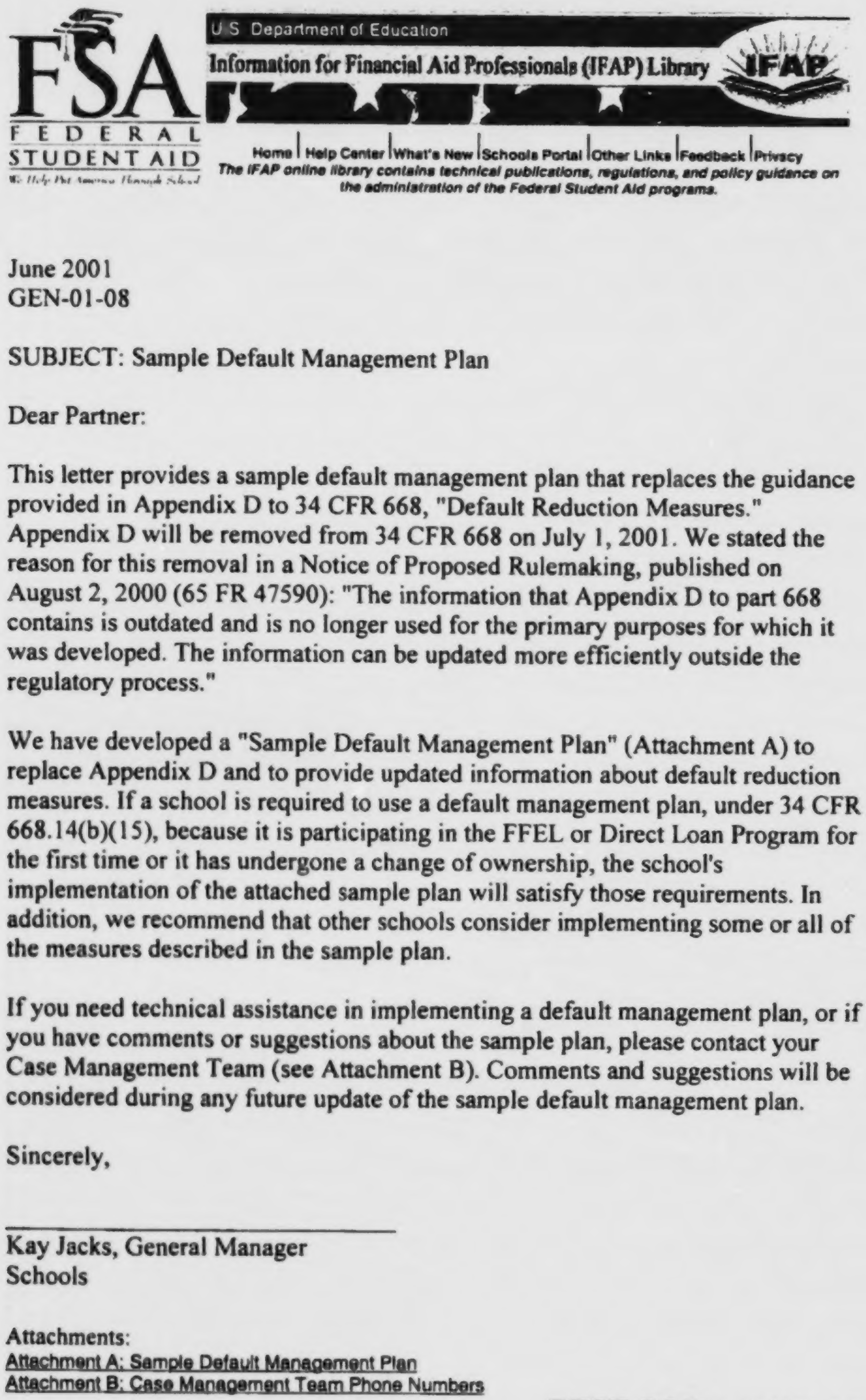
(Authority: 20 U.S.C. 1091 and 1094)

14. Section 668.165(a)(3)(ii) is revised to read as follows:

§ 668.165 Notices and authorizations.

(a) * * *

(3) * * *



FSA
FEDERAL
STUDENT AID
We Help Put America Through School

U.S. Department of Education
Information for Financial Aid Professionals (IFAP) Library
IFAP

Home | Help Center | What's New | Schools Portal | Other Links | Feedback | Privacy

The IFAP online library contains technical publications, regulations, and policy guidance on the administration of the Federal Student Aid programs.

June 2001
GEN-01-08

SUBJECT: Sample Default Management Plan

Dear Partner:

This letter provides a sample default management plan that replaces the guidance provided in Appendix D to 34 CFR 668, "Default Reduction Measures." Appendix D will be removed from 34 CFR 668 on July 1, 2001. We stated the reason for this removal in a Notice of Proposed Rulemaking, published on August 2, 2000 (65 FR 47590): "The information that Appendix D to part 668 contains is outdated and is no longer used for the primary purposes for which it was developed. The information can be updated more efficiently outside the regulatory process."

We have developed a "Sample Default Management Plan" (Attachment A) to replace Appendix D and to provide updated information about default reduction measures. If a school is required to use a default management plan, under 34 CFR 668.14(b)(15), because it is participating in the FFEL or Direct Loan Program for the first time or it has undergone a change of ownership, the school's implementation of the attached sample plan will satisfy those requirements. In addition, we recommend that other schools consider implementing some or all of the measures described in the sample plan.

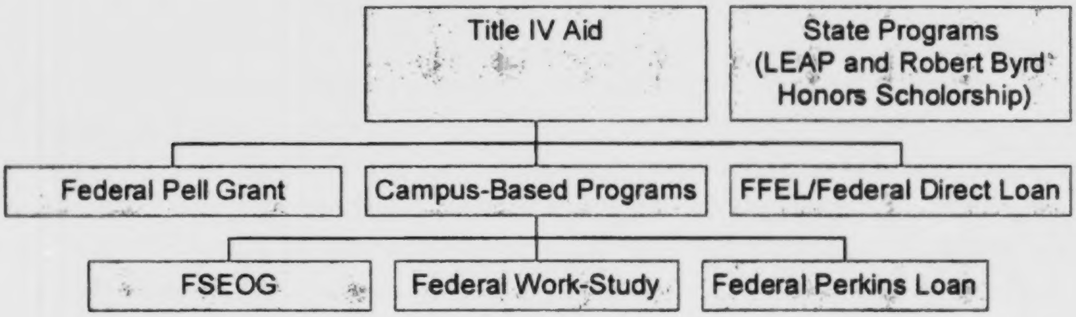
If you need technical assistance in implementing a default management plan, or if you have comments or suggestions about the sample plan, please contact your Case Management Team (see Attachment B). Comments and suggestions will be considered during any future update of the sample default management plan.

Sincerely,

Kay Jacks, General Manager
Schools

Attachments:
Attachment A: Sample Default Management Plan
Attachment B: Case Management Team Phone Numbers

BEST COPY AVAILABLE


Title IV Aid
State Programs (LEAP and Robert Byrd Honors Scholorship)
Federal Pell Grant
Campus-Based Programs
FFEL/Federal Direct Loan
FSEOG
Federal Work-Study
Federal Perkins Loan

Federal Pell Grant	•Gift aid that need not be repaid •Foundation of need-based financial aid programs •Undergraduate students only •"Portable" student specific aid •$4,050 maximum for 2003-2004
Federal Family Education Loan Program (FFEL)	•Self-help aid – loan must be repaid •Variable interest rate not to exceed 8.25% (except PLUS, not to exceed 9%) •Funds from private lenders •Guaranty Agencies guarantee lenders from loss by borrower default •Loan types –Subsidized Stafford –Unsubsidized Stafford –Parent Loan for Undergraduate Students (PLUS) –Consolidation •$2,625 to $18,500 annual maximum (except PLUS)
Federal Direct Loan Program	•Self-help aid – loan must be repaid •Variable interest rate not to exceed 8.25% (PLUS not to exceed 9%) •Funds from U.S. Treasury •Loan Types –Subsidized Stafford –Unsubsidized Stafford –Parent Loan for Undergraduate Students (PLUS) –Consolidation •$2,625 to $18,500 annual maximum (except PLUS)

BEST COPY AVAILABLE

Campus-Based Programs

Federal Supplemental Educational Opportunity Grant (FSEOG)	•Gift aid that need not be repaid •Undergraduate students only •Must be awarded first to Pell eligible students with the lowest EFC •Campus-Based Program; limited funds awarded at school's discretion •$4,000 annual maximum
Federal Work-Study	•Self-help aid – student works for pay •On-campus or off-campus employment •Campus-Based Program; limited funds awarded at school's discretion •No annual maximum
Federal Perkins Loan	•Self-help aid – loan must be repaid •5% interest rate •Campus-Based Program; limited funds awarded at school's discretion •Program administered by school •Revolving loan account; funds repaid to school are used to make new loans •Cancellation benefits for certain types of employment •$4,000-$6,000 annual maximum

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations
Federal Pell Grant	Grants for financially needy undergraduate students who have not earned bachelor's degrees or a first professional degree.	Part A	Part 690
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs)	Part A	Part 676
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate students.	Part C	Part 675
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674
Federal Direct Subsidized Loan	Loans to help financially needy graduates and undergraduates; interest subsidized by federal government; made by federal government.	Part D	Part 685
Federal Direct Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; made by federal government.	Part D	Part 685
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; made by federal government.	Part D	Part 685
FFEL Stafford Subsidized Loan	Low-interest loans to help financially needy students; from lenders, guaranteed and interest subsidized by federal government.	Part B	Part 682
FFEL Stafford Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; from lenders, guaranteed by federal government.	Part B	Part 682
FFEL PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; from lenders, guaranteed by federal government.	Part B	Part 682

Title IV Program Summary

Title IV Program	Type of Aid	Application Required	Award/Loan Determination	Aid Recipient	Award/Loan Limits	Need Analysis	Disbursement/ Repayment
Federal Pell Grant	Gift Aid	FAFSA	Specified in ED's annual payment and disbursement schedule	Only undergraduates	$4,050	Based on need	School acts as ED's agent to disburse. No repayment.
Campus-Based Aid Programs							
FSEOG	Gift Aid	FAFSA	School's financial aid policy and available funds	Only undergraduates, with priority given to Pell Grant recipients	$4,000 a year except in case of study abroad, where up to $400 more a year is allowed	Based on need	The school disburses funds to students. No repayment.
FWS	Self-Help Aid			Undergraduate, graduate, and professional students	No annual award maximum		School disburses earned funds to students at least monthly. No repayment.
Federal Perkins Loan					$4,000 a year for undergraduates and $6,000 a year for graduate & professional students		School disburses funds to students. Repayment required.
Direct Loan and FFEL Programs							
Subsidized Loan	Self-Help Aid	FAFSA	A student's subsidized loan added to the EFC and other EFA cannot exceed COA	Undergraduate, graduate, and professional students	From $2,625 to $18,500 depending on grade level	Based on need	**Direct Loan Program**: ED disburses to school; school disburses funds to student. Repayment required. **FFEL Program**: Lender disburses; school delivers funds. Repayment required.
Unsubsidized Loan			The student's unsubsidized loan added to other EFA cannot exceed COA			Not based on need	
PLUS Loan		PLUS Loan application	The parent's PLUS Loan added to the student's other EFA cannot exceed student's COA	Parents of dependent undergraduates	No cap, but when added to student's other EFA cannot exceed student's COA		

Overview of Title IV Programs

1. This program gives priority to students who receive Federal Pell Grants. To which Title IV Program are we referring?

______________________Source:______________________

2. Which Title IV Programs are not based on financial need?

______________________Source:______________________

3. Which Title IV programs are grouped as the Campus-Based programs?

______________________Source:______________________

4. Which Title IV programs are limited to only undergraduate students?

______________________Source:______________________

5. Which loan program has a 5% interest rate?

______________________Source:______________________

6. For which Title IV program(s) is "at least half-time enrollment" ***not*** a requirement to receive aid?

______________________Source:______________________

7. Which loan program(s) have no grace period?

______________________Source:______________________

8. Which Title IV Program has no regulated minimum or maximum award amounts?

_______________ Source: _______________

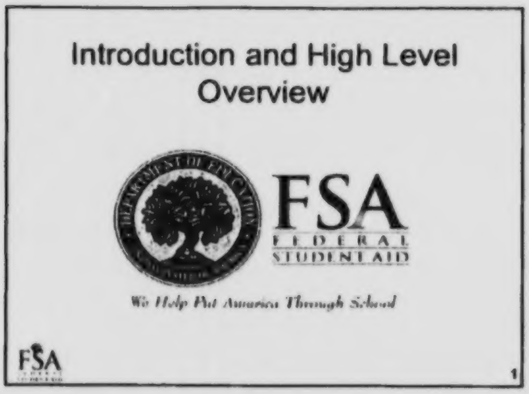
9. If a student is attending two postsecondary educational institutions at the same time, can he/she receive a Federal Pell Grant from both schools?

_______________ Source: _______________

10. What is the major difference between a Federal Family Education Loan and a Direct Loan?

_______________ Source: _______________

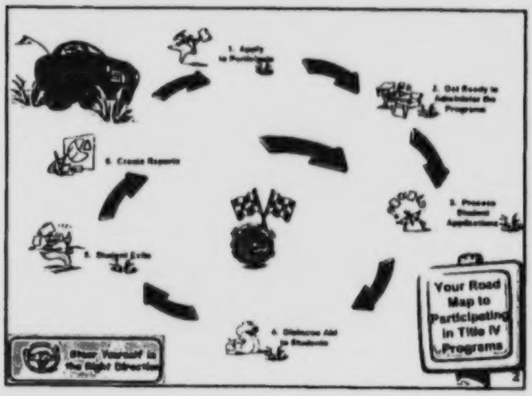
Notes:



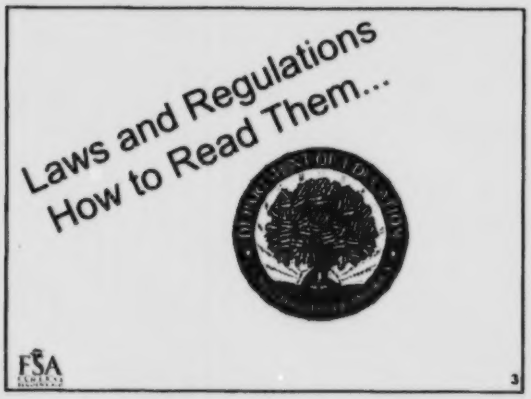
Introduction and High Level Overview

FSA
FEDERAL
STUDENT AID

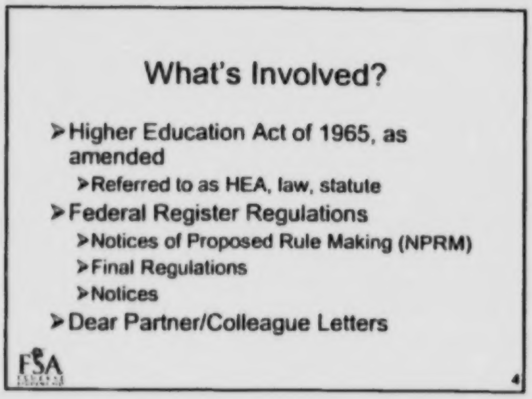
We Help Put America Through School



1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Direction

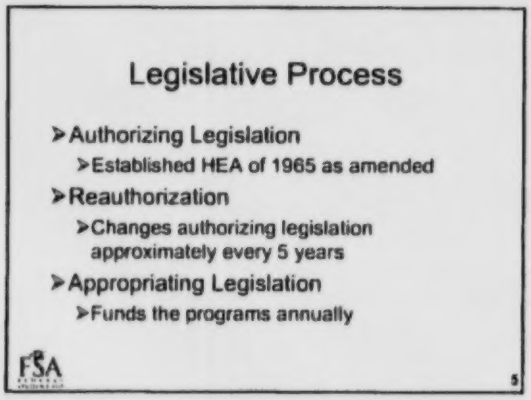


Laws and Regulations
How to Read Them...



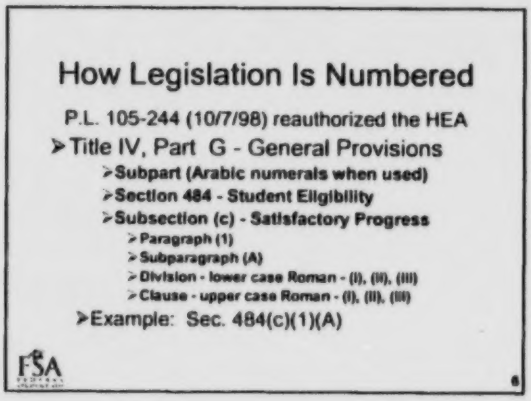
What's Involved?

- Higher Education Act of 1965, as amended
  - Referred to as HEA, law, statute
- Federal Register Regulations
  - Notices of Proposed Rule Making (NPRM)
  - Final Regulations
  - Notices
- Dear Partner/Colleague Letters



Legislative Process

- Authorizing Legislation
  - Established HEA of 1965 as amended
- Reauthorization
  - Changes authorizing legislation approximately every 5 years
- Appropriating Legislation
  - Funds the programs annually

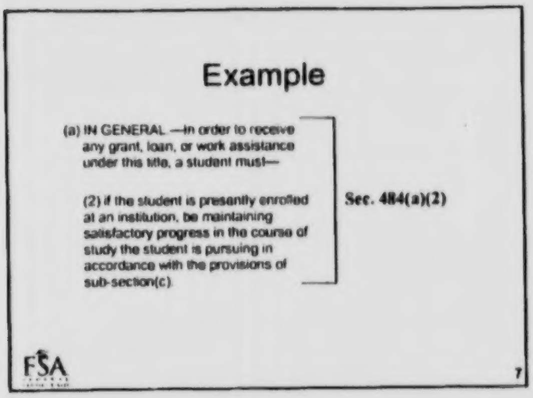


How Legislation Is Numbered

P.L. 105-244 (10/7/98) reauthorized the HEA

- Title IV, Part G - General Provisions
  - **Subpart (Arabic numerals when used)**
  - **Section 484 - Student Eligibility**
  - **Subsection (c) - Satisfactory Progress**
    - **Paragraph (1)**
    - **Subparagraph (A)**
    - **Division - lower case Roman - (i), (ii), (iii)**
    - **Clause - upper case Roman - (I), (II), (III)**
- Example: Sec. 484(c)(1)(A)

BEST COPY AVAILABLE

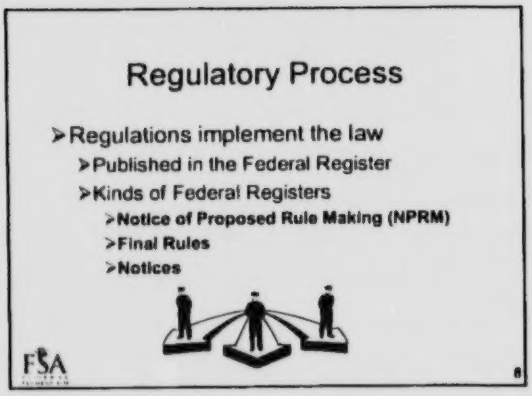


Example

(a) IN GENERAL.—In order to receive any grant, loan, or work assistance under this title, a student must—

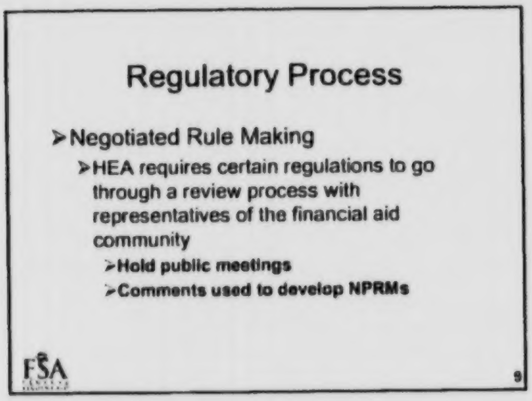
(2) if the student is presently enrolled at an institution, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with the provisions of sub-section(c).

Sec. 484(a)(2)



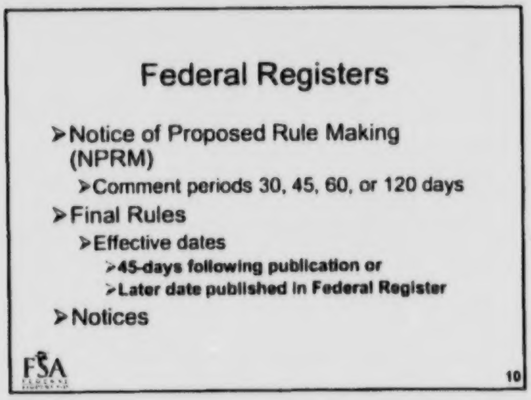
Regulatory Process

- Regulations implement the law
  - Published in the Federal Register
  - Kinds of Federal Registers
    - **Notice of Proposed Rule Making (NPRM)**
    - **Final Rules**
    - **Notices**



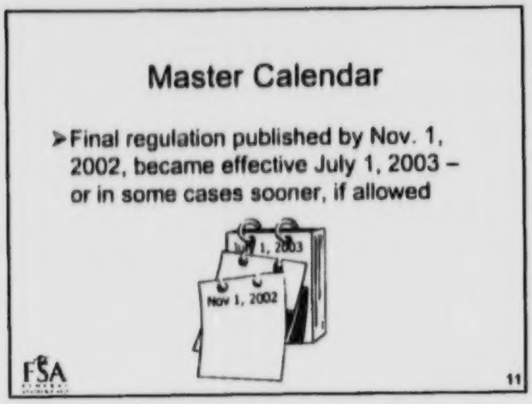
Regulatory Process

- Negotiated Rule Making
  - HEA requires certain regulations to go through a review process with representatives of the financial aid community
    - **Hold public meetings**
    - **Comments used to develop NPRMs**



Federal Registers

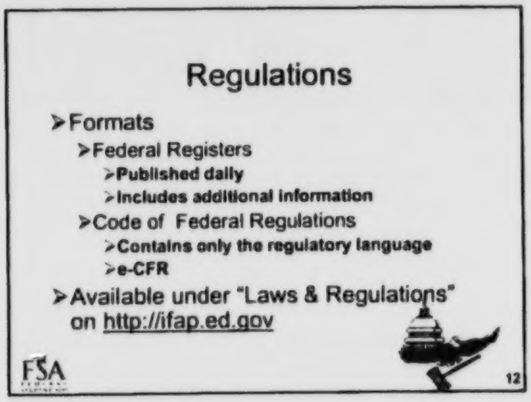
- Notice of Proposed Rule Making (NPRM)
  - Comment periods 30, 45, 60, or 120 days
- Final Rules
  - Effective dates
    - **45-days following publication or**
    - **Later date published in Federal Register**
- Notices



Master Calendar

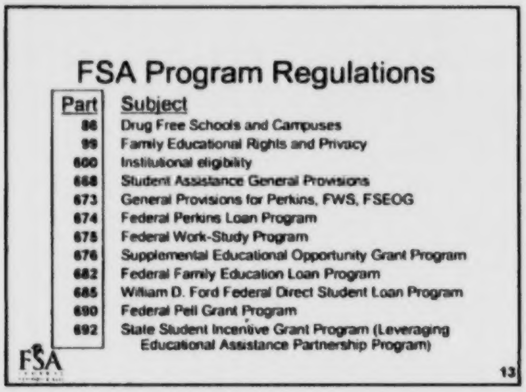
- Final regulation published by Nov. 1, 2002, became effective July 1, 2003 – or in some cases sooner, if allowed

July 1, 2003
Nov 1, 2002



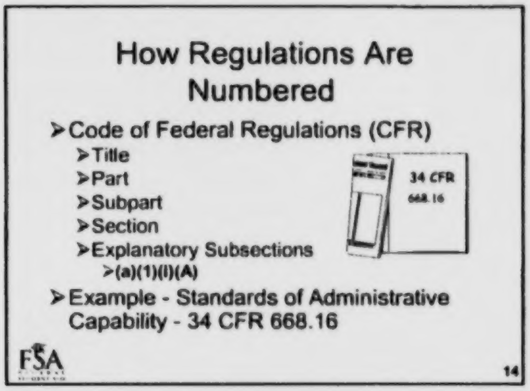
Regulations

- Formats
  - Federal Registers
    - **Published daily**
    - **Includes additional information**
  - Code of Federal Regulations
    - **Contains only the regulatory language**
    - **e-CFR**
- Available under "Laws & Regulations" on http://ifap.ed.gov



FSA Program Regulations

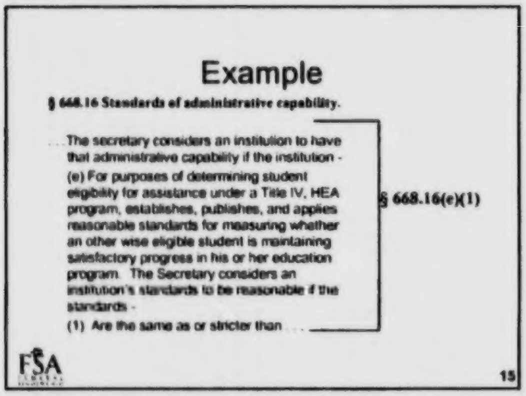
Part	Subject
86	Drug Free Schools and Campuses
99	Family Educational Rights and Privacy
600	Institutional eligibility
668	Student Assistance General Provisions
673	General Provisions for Perkins, FWS, FSEOG
674	Federal Perkins Loan Program
675	Federal Work-Study Program
676	Supplemental Educational Opportunity Grant Program
682	Federal Family Education Loan Program
685	William D. Ford Federal Direct Student Loan Program
690	Federal Pell Grant Program
692	State Student Incentive Grant Program (Leveraging Educational Assistance Partnership Program)



How Regulations Are Numbered

- Code of Federal Regulations (CFR)
  - Title
  - Part
  - Subpart
  - Section
  - Explanatory Subsections
    - (a)(1)(i)(A)
- Example - Standards of Administrative Capability - 34 CFR 668.16

34 CFR
668.16



Example

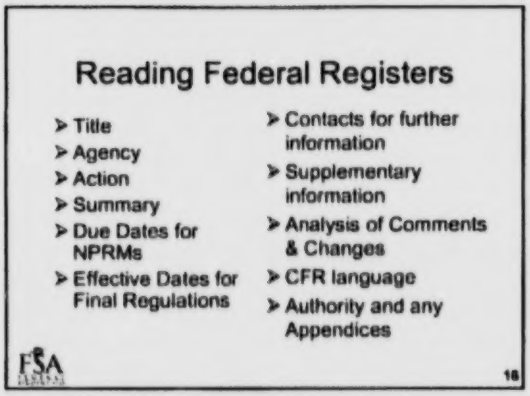
§ 668.16 Standards of administrative capability.

. . . The secretary considers an institution to have that administrative capability if the institution -

(e) For purposes of determining student eligibility for assistance under a Title IV, HEA program, establishes, publishes, and applies reasonable standards for measuring whether an other wise eligible student is maintaining satisfactory progress in his or her education program. The Secretary considers an institution's standards to be reasonable if the standards -

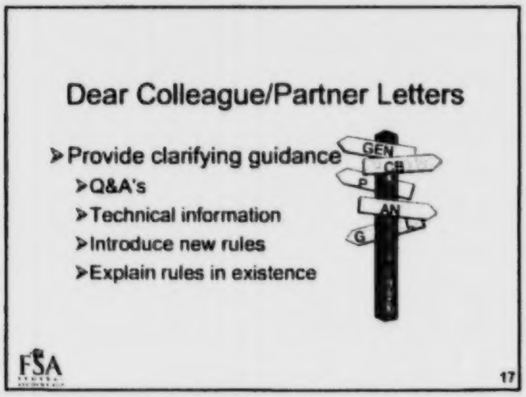
(1) Are the same as or stricter than . . .

§ 668.16(e)(1)



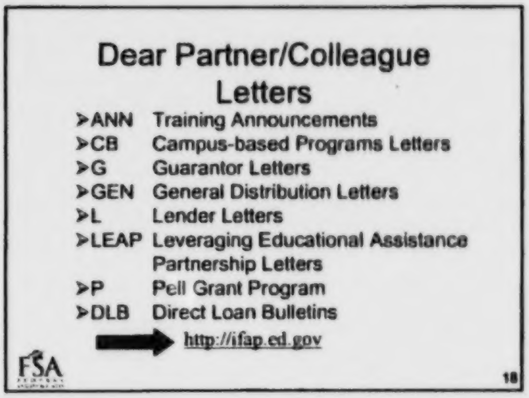
Reading Federal Registers

- Title
- Agency
- Action
- Summary
- Due Dates for NPRMs
- Effective Dates for Final Regulations
- Contacts for further information
- Supplementary information
- Analysis of Comments & Changes
- CFR language
- Authority and any Appendices



Dear Colleague/Partner Letters

- Provide clarifying guidance
  - Q&A's
  - Technical information
  - Introduce new rules
  - Explain rules in existence



Dear Partner/Colleague Letters

➢ANN	Training Announcements
➢CB	Campus-based Programs Letters
➢G	Guarantor Letters
➢GEN	General Distribution Letters
➢L	Lender Letters
➢LEAP	Leveraging Educational Assistance Partnership Letters
➢P	Pell Grant Program
➢DLB	Direct Loan Bulletins

➡ http://ifap.ed.gov

Apply to Participate and Understand Your School's Responsibilities

- **Be an Eligible Institution**
- **Apply to Participate**
- **Sign a Program Participation Agreement**
- **Administer Programs in Accordance with Law and Regulations**

CASE MANAGEMENT TEAMS

Case Team	Address -	Phone & Fax	States Covered
Boston Region I	Student Financial Assistance Programs U.S. Department of Education J.W. McCormack Post Office & Courthouse Building, Room 706 Boston, MA 02109	617-223-9338 **Fax** 617-223-9853	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
New York Region II	Student Financial Assistance Programs U.S. Department of Education 75 Park Place, Room 1206 New York, NY 10007	212-264-4022 **Fax** 212-264-5025	New Jersey, New York, *Puerto Rico, and Virgin Islands*
Philadelphia Region III	Student Financial Assistance Programs U.S. Department of Education The Wanamaker Bldg., Suite 511 100 Penn Square East Philadelphia, PA 19107	215-656-6442 **Fax** 215-656-6499	Delaware, Maryland, Pennsylvania, Virginia, W. Virginia, and the District of Columbia
Atlanta Region IV	Student Financial Assistance Programs U.S. Department of Education 61 Forsyth St. SW, Room 18T20B Atlanta, GA 30303	404-562-6316 **Fax** 404-562-6321	Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina
Chicago Region V	Student Financial Assistance Programs U.S. Department of Education 111 N. Canal St., Room 830 Chicago, IL 60606	312-886-8767 **Fax** 312-353-2836	Illinois, Minnesota, Ohio, and Wisconsin
Dallas Region VI	Student Financial Assistance Programs U.S. Department of Education 1999 Bryan St., Suite 2720 Dallas, TX 75201	214-880-3044 **Fax** 214-880-2462	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
Kansas City Region VII	Student Financial Assistance Programs U.S. Department of Education 8930 Ward Parkway #2028 Kansas City, MO 64114	816-268-0410 **Fax** 816-823-1402	Iowa, Kansas, Kentucky, Missouri, Nebraska, and Tennessee
Denver Region VIII	Student Financial Assistance Programs U.S. Department of Education 1391 Speer Blvd., Suite 800 Denver, CO 80204	303-844-3677	Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, and Wyoming
San Francisco Region IX	Student Financial Assistance Programs U.S. Department of Education 50 United Nations Plaza, Room 266 San Francisco, CA 94102	415-556-4295 **Fax** 415-437-8206	Arizona, California, Hawaii, Nevada, *American Samoa, Guam, Republic of Palau, Republic of the Marshall Islands, Northern Marianas, and the Federated States of Micronesia*
Seattle Region X	Student Financial Assistance Programs U.S. Department of Education 701 Fifth Avenue, Suite 1600 Seattle, WA 98104	206-615-2594 **Fax** 206-615-2508	Alaska, Idaho, Oregon, Washington, and Indiana

SCHOOL ELIGIBILITY CHECKLIST

Review "Information About Applying for First-Time Approval"

		Regulation
☐ **Accreditation** approval current with supporting documentation	Web site for list of approved accrediting agencies: www.ed.gov/offices/OPE/accreditation/index.html	600.4(a)(5) 600.5(a)(6) 600.6(a)(5)
☐ Current **state authorization** and supporting documentation		600.4(a)(4) 600.5(a)(4) 600.6(a)(3)
☐ Admits as regular students only persons with a **high school diploma** or recognized equivalent, or persons beyond age of compulsory attendance		600.4(a)(2) 600.5(a)(3) 600.6(a)(2)
☐ Determine **type of institution**: institution of higher education, proprietary institution of higher education, postsecondary vocational institution		600.4 600.5 600.6
☐ Determine your institution has at least one eligible program		668.8

What are additional eligibility requirements (or elements that would make my institution ineligible)?

		Regulation
☐ **Two-year rule** (proprietary and postsecondary vocational institutions only)		600.5(a)(7) 600.6(a)(6)
☐ **90/10 rule** (proprietary institutions only)		600.5
☐ **Correspondence Course** Limitation		600.2 600.7
☐ **Correspondence Student** Limitation		600.2 600.7
☐ **Incarcerated Student** Limitation		600.7
☐ **Ability to Benefit** Limitation		600.7
☐ **Bankruptcy**		600.7
☐ **Crimes** involving Title IV program funds		600.7
☐ **Administrative capability**		668.16

This excerpt current as of the Federal Register Dated July 13, 2001

34 CFR - CHAPTER VI - PART 600

§ 600.5 Proprietary institution of higher education.

(a) A proprietary institution of higher education is an educational institution that –

. . .

(8) Has no more than 90 percent of its revenues derived from title IV, HEA program funds, as determined under paragraph (d) of this section.

. . .

(d)(1) An institution satisfies the requirement contained in paragraph (a)(8) of this section by examining its revenues under the following formula for its latest complete fiscal year: Title IV, HEA program funds the institution used to satisfy its students' tuition, fees, and other institutional charges to students. The sum of revenues including title IV, HEA program funds generated by the institution from: tuition, fees, and other institutional charges for students enrolled in eligible programs as defined in 34 CFR 668.8; and activities conducted by the institution, to the extent not included in tuition, fees, and other institutional charges, that are necessary for the education or training of its students who are enrolled in those eligible programs.

(2) An institution must use the cash basis of accounting when calculating the amount of title IV, HEA program funds in the numera-tor and the total amount of revenue genera-ted by the institution in the denominator of the fraction contained in paragraph (d)(1) of this section.

(3) Under the cash basis of accounting --

(i) In calculating the amount of revenue generated by the institution from institutional loans, the institution must include only the amount of loan repayments received by the institution during the fiscal year; and

(ii) In calculating the amount of revenue generated by the institution from institutional scholarships, the institution must include only the amount of funds it disbursed during the fiscal year from an established restricted account and only to the extent that the funds in that account represent designated funds from an outside source or income earned on those funds.

(e) With regard to the formula contained in paragraph(d)(1) of this section --

(1) The institution may not include as title IV, HEA program funds in the numerator nor as revenue generated by the institution in the denominator –

(i) The amount of funds it received under the Federal Work-Study (FWS) Program, unless the institution used those funds to pay a student's institutional charges in which case the FWS program funds used to pay those charges would be included in the numerator and denominator.

(ii) The amount of funds it received under the Leveraging Educational Assistance Partner-ship (LEAP) Program. (The LEAP Program was formerly called the State Student Incentive Grant or SSIG Program.);

(iii) The amount of institutional funds it used to match title IV, HEA program funds;

(iv) The amount of title IV, HEA program funds that must be refunded or returned under § 668.22; or

(v) The amount charged for books, supplies, and equipment unless the institution includes that amount as tuition, fees, or other institutional charges.

(2) In determining the amount of title IV, HEA program funds received by the institution under the cash basis of accounting, except as provided in paragraph (e)(3) of this section, the institution must presume that any title IV, HEA program funds disbursed or delivered to or on behalf of a student will be used to pay the student's tuition, fees, or other institutional charges, regardless of whether the institution credits those funds to the student's account or pays those funds directly to the student, and therefore must include those funds in the numerator and denominator.

(3) In paragraph (e)(2) of this section, the institution may not presume that title IV, HEA program funds were used to pay tuition, fees, and other institutional charges to the extent that those charges were satisfied by --(i) Grant funds provided by non-Federal public agencies, or private sources independent of the institution;

(ii) Funds provided under a contractual arrangement described in § 600.7(d), or

(iii) Funds provided by State prepaid tuition plans.

(4) With regard to the denominator, revenue generated by the institution from activities it conducts, that are necessary for its students' education or training, includes only revenue from those activities that --

(i) Are conducted on campus or at a facility under the control of the institution;

(ii) Are performed under the supervision of a member of the institution's faculty; and

(iii) Are required to be performed by all students in a specific educational program at the institution.

(f) An institution must notify the Secretary within 90 days following the end of the fiscal year used in paragraph (d)(1) of this section if it fails to satisfy the requirement contained in paragraph (a)(8) of this section.

(g) If an institution loses its eligibility because it failed to satisfy the requirement contained in paragraph (a)(8) of this section, to regain its eligibility it must demonstrate compliance with all eligibility requirements for at least the fiscal year following the fiscal year used in paragraph (d)(1) of this section.

This excerpt current as of the Federal Register dated July 13, 2001
34 CFR – Chapter VI – Part 668

§ 668.16 Standards of administrative capability.

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution—

(a) Administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA;

(b)(1) Designates a capable individual to be responsible for administering all the Title IV, HEA programs in which it participates and for coordinating those programs with the institution's other Federal and non-Federal programs of student financial assistance. The Secretary considers an individual to be "capable" under this paragraph if the individual is certified by the State in which the institution is located, if the State requires certification of financial aid administrators. The Secretary may consider other factors in determining whether an individual is capable, including, but not limited to, the individual's successful completion of Title IV, HEA program training provided or approved by the Secretary, and previous experience and documented success in administering the Title IV, HEA programs properly;

(2) Uses an adequate number of qualified persons to administer the Title IV, HEA programs in which the institution participates. The Secretary considers the following factors to determine whether an institution uses an adequate number of qualified persons—

(i) The number and types of programs in which the institution participates;

(ii) The number of applications evaluated;

(iii) The number of students who receive any student financial assistance at the institution and the amount of funds administered;

(iv) The financial aid delivery system used by the institution;

(v) The degree of office automation used by the institution in the administration of the Title IV, HEA programs;

(vi) The number and distribution of financial aid staff; and

(vii) The use of third-party servicers to aid in the administration of the Title IV, HEA programs;

(3) Communicates to the individual designated to be responsible for administering Title IV, HEA programs, all the information received by any institutional office that bears on a student's eligibility for Title IV, HEA program assistance; and

(4) Has written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary;

(c)(1) Administers Title IV, HEA programs with adequate checks and balances in its system of internal controls; and

(2) Divides the functions of authorizing payments and disbursing or delivering funds so that no office has responsibility for both functions with respect to any particular student aided under the programs. For example, the functions of authorizing payments and disbursing or delivering funds must be divided

so that for any particular student aided under the programs, the two functions are carried out by at least two organizationally independent individuals who are not members of the same family, as defined in § 668.15, or who do not together exercise substantial control, as defined in § 668.15, over the institution;

(d) Establishes and maintains records required under this part and the individual Title IV, HEA program regulations;

(e) For purposes of determining student eligibility for assistance under a Title IV, HEA program, establishes, publishes, and applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. The Secretary considers an institution's standards to be reasonable if the standards—

(1) Are the same as or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving assistance under a Title IV, HEA program;

(2) Include the following elements:

(i) A qualitative component which consists of grades (provided that the standards meet or exceed the requirements of § 668.34), work projects completed, or comparable factors that are measurable against a norm.

(ii) A quantitative component that consists of a maximum timeframe in which a student must complete his or her educational program. The timeframe must—

(A) For an undergraduate program, be no longer than 150 percent of the published length of the educational program measured in academic years, terms, credit hours attempted, clock hours completed, etc. as appropriate;

(B) Be divided into increments, not to exceed the lesser of one academic year or one-half the published length of the educational program;

(C) Include a schedule established by the institution designating the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete his or her educational program within the maximum timeframe; and

(D) Include specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress;

(3) Provide for consistent application of standards to all students within categories of students, e.g., full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution;

(4) Provide for a determination at the end of each increment by the institution as to whether the student has met the qualitative and quantitative components of the standards (as provided for in paragraphs (e)(2)(i) and (ii) of this section);

(5) Provide specific procedures under which a student may appeal a determination that the student is not making satisfactory progress; and

(6) Provide specific procedures for a student to re-establish that he or she is maintaining satisfactory progress.

(f) Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate, the Secretary considers whether the institution obtains and reviews

(1) All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant;

(2)Any documents, including any copies of State and Federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and

(3)Any other information normally available to the institution regarding a student's citizenship, previous educational experience, documentation of the student's social security number, or other factors relating to the student's eligibility for funds under the Title IV, HEA programs;

(g) Refers to the Office of Inspector General of the Department of Education for investigation—

(1) After conducting the review of an application provided for under paragraph (f) of this section, any credible information indicating that an applicant for Title IV, HEA program assistance may have engaged in fraud or other criminal misconduct in connection with his or her application. The type of information that an institution must refer is that which is relevant to the eligibility of the applicant for Title IV, HEA program assistance, or the amount of the assistance. Examples of this type of information are—

(i) False claims of independent student status;

(ii) False claims of citizenship;

(iii) Use of false identities;

(iv) Forgery of signatures or certifications; and

(v) False statements of income; and

(2) Any credible information indicating that any employee, third-party servicer, or other agent of the institution that acts in a capacity that involves the administration of the Title IV, HEA programs, or the receipt of funds under those programs, may have engaged in fraud, misrepresentation, conversion or breach of fiduciary responsibility, or other illegal conduct involving the Title IV, HEA programs. The type of information that an institution must refer is that which is relevant to the eligibility and funding of the institution and its students through the Title IV, HEA programs;

(h) Provides adequate financial aid counseling to eligible students who apply for Title IV, HEA program assistance. In determining whether an institution provides adequate counseling, the Secretary considers whether its counseling includes information regarding —

(1) The source and amount of each type of aid offered;

(2) The method by which aid is determined and disbursed, delivered, or applied to a student's account; and

(3) The rights and responsibilities of the student with respect to enrollment at the institution and receipt of financial aid. This information includes the institution's refund policy, the requirements for the treatment of title IV, HEA program funds when a student withdraws under § 668.22, its standards of satisfactory progress, and other conditions that may alter the student's aid package;

(i) Has provided all program and fiscal reports and financial statements required for compliance with the provisions of this part and the individual program regulations in a timely manner;

(j) Shows no evidence of significant problems that affect, as determined by the Secretary, the institution's ability to administer a Title IV, HEA program and that are identified in—

(1) Reviews of the institution conducted by the Secretary, the Department of Education's Office of Inspector General, nationally recognized accrediting agencies, guaranty agencies as defined in 34 CFR part 682, the State agency or official by whose authority the institution is legally authorized to provide postsecondary education, or any other law enforcement agency; or

(2) Any findings made in any criminal, civil, or administrative proceeding;

(k) Is not, and does not have any principal or affiliate of the institution (as those terms are defined in 34 CFR part 85) that is—

(1) Debarred or suspended under Executive Order (E.O.) 12549 (3 CFR, 1986 Comp., p. 189) or the Federal Acquisition Regulations (FAR), 48 CFR part 9, subpart 9.4; or

(2) Engaging in any activity that is a cause under 34 CFR 85.305 or 85.405 for debarment or suspension under E.O.12549

(3 CFR, 1986 Comp., p. 189) or the FAR, 48 CFR part 9, subpart 9.4;

(l) For an institution that seeks initial participation in a Title IV, HEA program, does not have more than 33 percent of its undergraduate regular students withdraw from the institution during the institution's latest completed award year. The institution must count all regular students who are enrolled during the latest completed award year, except those students who, during that period—

(1) Withdrew from, dropped out of, or were expelled from the institution;*

(2) Were entitled to and actually received in a timely manner, a refund of 100 percent of their tuition and fees;

(m)(1) Has an FFEL Program cohort default rate, a Direct Loan cohort rate, or where applicable, a weighted average cohort rate—

(i) As defined in § 668.17, that is less than 25 percent for each of the three most recent fiscal years for which the Secretary has determined the institution's rate; and

(ii) As defined in 34 CFR 674.5, on loans made under the Federal Perkins Loan Program to students for attendance at that institution that does not exceed 15 percent;

(2)(i) Except that, if the Secretary determines that the institution is not administratively capable solely because the institution fails to comply with paragraph (m)(1) of this section, the Secretary will provisionally certify the institution in accordance with § 668.13(c); and

(ii) The institution may appeal the loss of full participation in a Title IV, HEA program under paragraph (m)(1) of this section by submitting an appeal in writing to the Secretary in accordance with and on the grounds specified in § 668.17;

(n) Does not otherwise appear to lack the ability to administer the Title IV, HEA programs competently; and

(o) Participates in the electronic processes that the Secretary—

(1) Provides at no substantial charge to the institution; and

(2) Identifies through a notice published in the FEDERAL REGISTER.

---

*Should read "*and*." Omission will be corrected in a technical amendment.

Administrative Capability
Separation of Duties
34 CFR 668.16(c)(2); 34 CFR 668.15(f)(2); and 34CFR600.21(f)

Divides the functions of **authorizing** payments and **disbursing or delivering** funds so that no office has responsibility for both functions with respect to any particular student aided under the programs. [34 CFR 668.16(c)(2)]	**Authorizing** payments: awarding/packaging a student, could draw down funds from GAPS but not have access to posting funds to students accounts or giving checks to students **Disbursing or delivering** funds: delivering checks to students, posting to students' accounts; could draw down funds and deliver checks to students, but not award and package a student

Must be two organizationally independent individuals who are not members of the **same family** or who do not together exercise **substantial control** over the institution. [definitions: 34 CFR 668.15(f)(2); 600.21(f)]	**Members of the same family**: Parent, sibling, spouse, child, spouse's parent, or sibling, or sibling's or child's spouse. Example: If owner "disburses" funds, then the owner's wife may not award funds. If owner "disburses" funds, a nephew (brother or sister's son) may award funds, provided that the nephew does not have substantial control over the institution. The brother or sister's spouse could not award funds under the above scenario. **Exercise substantial control**: (1) if person directly or indirectly holds at least a 25% ownership interest in the institution; (2) holds, together with other members of his or her family, at least a 25% ownership interest in the institution; (3) represents, either alone or together with other persons, under a voting trust, power of attorney, proxy, or similar agreement one or more persons who hold, either individually or in combination with the other persons represented or the person representing them, at least a 25% ownership in the institution; or (3) is a member of the board of directors, the chief executive officer, or other executive officer of the institution or an entity that holds at least 25% ownership interest in the institution.

Administrative Capability: Separation of Duties

1. If you are a small school, are you exempt from this requirement?

____

2. If you are a small school and only have a husband and wife operating the school, can one award and one disburse?

____

3. If your name is on the bank account and you sign all the checks, can you award funds for students at your school?

____

4. John Ross owns 80% of Betsy Ross's School of Flag and Fashion Design; Betsy, his wife, owns 10%; John, Jr., his son, owns 5%; and Ann, his niece, owns 5%. John owns the school but does not participate in the operation of the school. Betsy is the school's administrator, John, Jr. operates the business office, and Ann teaches needlepoint and helps out with the financial aid processing. Who can award and disburse Title IV funds?

____

5. The Betsy Ross School of Flag and Fashion Design was just approved for a change of ownership. Betsy Ross now owns 50% of the school and Ann owns 50%. Betsy still operates the school, John, Jr. is now a salaried employee in the business office, and Ann is a full-time employee in the financial aid office. What are the issues with awarding and disbursing Title IV funds?

____

____

6. The Betsy Ross School of Flag and Fashion Design has reported through the electronic application that John, Jr., is no longer the chief fiscal officer and that Betsy will be the new CFO. Ann remains in the financial aid office. Do we have any issues now with awarding and disbursing Title IV funds?

____

Additional Eligibility Requirements (continued from page 10)		Regulation
☐ **Financial responsibility** 1. For proprietary and private nonprofit institutions only: composite score, cash reserves, current in debt payments, managing financial obligations 2. For all schools seeking initial participation: Submit financial statements for two most recently completed fiscal years 3. For proprietary institutions: Submit audit and financial statements in accordance with FSA Audit Guide within six months of end of fiscal year 4. For private nonprofit and public institutions: submit audit in accordance with A-133 within nine months of end of fiscal year		668, Subpart L 668.23

Apply for Initial Eligibility		
		Regulation
☐ Contact Dun & Bradstreet to obtain a DUNS number (if your institution does not already have a DUNS number)	Dun & Bradstreet: 1-800-333-0505 or complete DUNS request form at www.dnb.com/dunsno/	
☐ Complete **OPE-ID application** (Questions to Start an Initial Application) and fax to your regional case team	Access via web site: www.eligcert.ed.gov, click on "initial application," print out "Questions to Start an Initial Application" and complete	600.20
☐ **Complete Initial Application** (must have an OPE ID number to access and complete application) 1. If private, nonprofit, must submit copy of **501(c)(3)** designation 2. If for-profit, must submit **ownership or corporation structure** 3. Submit **financial statements** for two most recently completed fiscal years prepared in accordance with *Generally Accepted Accounting Principals* and audited according to *Generally Accepted Government Auditing Standards* 4. Submit accreditation approval and state license authorization	If questions, contact an eligibility specialist from your regional case team	

☐ **Sign your Program Participation Agreement:** Sign both copies and return to Department; countersigned copy will be returned to your institution; effective date of participation is date the Department signs the PPA		

Apply for Change in Ownership

		Regulation
☐ Review **what constitutes a change in ownership**	Contact your case team if questions	600.31
☐ For **preacquisition review,** submit application 45 days prior to date of transaction	Submit application through www.eligcert.ed.gov	600.20(g) 600.20(h)
☐ **Temporary Provisional Program Participation Agreement** expires last day of month following month in which change of ownership occurred		
☐ Temporary Provisional Program Participation can be **extended** if, prior to expiration, you submit: 1. A "same day" balance sheet showing school's financial position on date of ownership change prepared in accordance with *Generally Accepted Accounting Principals* 2. Approval of change of ownership from state agency and accrediting agency 3. Default management plan, or exemption		600.20(h)

Report Changes

		Regulation
☐ **Report and Wait:** **1.** Additional location if 50% or more of educational program is offered **2.** Increase level of offering (ex: adding BA degree when previously it offered only AA degree) **3.** Add an education program (see 600.10) **4.** Add branch campus or convert location to a branch campus **5.** Change in accrediting agency **6.** Change in ownership **7.** Request for additional Title IV programs (e.g., approved to participate in Pell Grant Program and now institution wishes to participate in FFEL program)		600.20
☐ **Report and Go:** **1.** Institution's name, name of a branch, or name of previously reported location **2.** Institution's address, address of branch, or address of previously reported location **3.** Additional location if 50% or more of educational program is offered (unless it is required to receive approval) **4.** The way it measures program length (from clock hours to credit hours, or from semester hours to quarter hours) **5.** Decrease in level of program offering (ex: institution drops its graduate programs) **6.** A person's ability to affect substantially the actions of the institution if that person did not previously have this ability **7.** The individual designated as the Title IV program administrator **8.** Closure of a branch campus or additional location **9.** The governance of a public institution		600.21

Training

		Regulation
☐ **Precertification Training** 1. Required when institution wishes to participate in Title IV for the first time 2. Required when there is change of ownership 3. Not required when participating institution wishes to participate in new Title IV program 4. Institution may request waiver	To register for precertification training: www.ed.gov/offices/OPE/announce/trng/ To request waiver, send letter to case team or request via the electronic application (Question 69); optimal if institution requests at the time it submits application for approval	668.13
☐ **For additional one-on-one training,** contact your case team		

Apply for Special Programs

		Regulation
☐ If institution wishes to participate in Campus-Based Programs, submit a Fiscal Operations Report and Application to Participate (FISAP) using e-Campus-Based web site	FISAP due by October 1st of each year http://cbfisap.sfa.ed.gov/CBSWebApp/welcome.jsp	
☐ If institution wishes to participate in the Direct Loan Program, contact the Regional Direct Loan Relations Office		
☐ If institution wishes to participate in the FFEL Program, contact the state guaranty agency		

Set Up Systems

		Regulation
☐ Institution or its third-party servicer completes the Student Aid Internet Gateway (SAIG) document	Download application at www.fsadownload.ed.gov/software.htm	
☐ Set up bank accounts for Title IV Student Financial Aid programs		
☐ Contact Federal Pell Grant Program Institutional Access System (1-800-4-P-GRANT)		
☐ Contact Grant Administration and Payment System (GAPS) (1-888-336-8930)	http://e-grants.ed.gov	
☐ Contact the National Student Loan Data System (NSLDS) (1-800-999-8219)		

UNITED STATES DEPARTMENT OF EDUCATION
FEDERAL STUDENT AID
CASE MANAGEMENT & OVERSIGHT
DENVER CASE MANAGEMENT TEAM

OPE ID 12345600

Dr. Abraham Lincoln
President
Test School of South Dakota
123 Roosevelt Lane
Rapid City, SD 57624-0000

Dear Dr. Lincoln:

The Denver Case Management Team is pleased to inform you that, based upon the information included in your Application for Approval to Participate in Federal Student Financial Aid Programs (ED Form E40-34P), the Secretary of Education (Secretary) has determined that Test School of South Dakota (Institution) satisfies the definition of an eligible institution under the Higher Education Act of 1965, as amended (HEA). Test School of South Dakota will be listed in the next edition of the Directory of Postsecondary Institutions published by the U.S. Department of Education (Department).

OPE ID NUMBER

The OPE ID Number 12345600 is a unique identifier for the Institution. The OPE ID Number will also be the Institution's identification number for the Title IV, HEA programs. Please use the OPE ID Number in all communications with the Department.

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

Please print a copy of the **Eligibility and Certification Approval Report** (ECAR) from the EAPP website at http://eligcert.ed.gov/eapp/owa/ecar. Together, the **Program Participation Agreement** (PPA) that has been signed on behalf of the Secretary and the ECAR constitute the Denver Case Management Team's determination that the Institution has qualified to participate in programs under the Higher Education Act of 1965, as amended (HEA) and the Federal student financial assistance programs (Title IV, HEA programs).

The Institution must retain the ECAR and the PPA together.

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

The ECAR contains the most critical of the data elements that form the basis of the Institution's approval, and also a list of the highest level of offering, any nondegree or short term training programs, and any additional locations that provide 50 percent or more of an educational program that have been approved for the Title IV, HEA programs. The Institution may not award, distribute or disburse any Title IV, HEA program funds for any educational or training program that is beyond the scope of the approval contained in the ECAR, nor for any additional location providing 50 percent or more of an educational program that has not been approved and is not listed on the ECAR.

- In order to comply with the requirements of 34 CFR 668.8(1), some vocational or nondegree programs may have been approved for fewer credit hours than requested in the Institution's application.
- Vocational and nondegree programs that do not meet the requirements of 34 CFR Parts 600 and 668 have not been approved and are marked in the ECAR as not approved.
- The listing of Vocational Programs in the ECAR contains those nondegree programs that the Denver Case Management Team has determined are eligible programs for participation in the Title IV, HEA programs.
- The ECAR contains a list of HEA programs other than Title IV, HEA programs, for which the Institution is eligible to apply. This list does not mean that the Institution will automatically be eligible to participate in or receive funds under any HEA competitive grant program. Information concerning applications for, and the individual requirements of, the competitive grant program can be obtained from:

Deputy Assistant Secretary
Office of Higher Education Programs
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-5140

PROGRAM PARTICIPATION AGREEMENT

The PPA contains the agreement between the Institution and the Secretary concerning the Institution's participation in the federal student financial assistance programs (Title IV, HEA programs).

CERTIFICATION FOR TITLE IV, HEA PROGRAMS

As explained in the PPA, Title IV, HEA programs administered by participating educational institutions are subject to applicable laws, regulations, and guidelines. Listed below are the appropriate telephone numbers for further information on the HEA programs:

- Federal Pell Grant Program (800) 474-7268
- Federal Family Education Loan Program (202) 377-4008
- Federal Direct Student Loan Program[1] (202) 377-4271
- Federal Campus-Based Programs[2] (877) 801-7168

If the Institution does not already participate in these Title IV, HEA programs, the Institution must complete Fundamentals of Title IV Administration (Precertification) Training[3] no later than 12 months after the Institution executes its PPA. Completion of this training must be not earlier than one year before beginning to participate in any Title IV, HEA program for which the Institution has not previously participated.

Participating educational institutions will be reviewed at least once every six years to determine whether the institutions remain administratively capable and financially responsible to administer Title IV programs and funds.

REPORTING AND REAPPLICATION REQUIREMENTS

The Institution must report promptly to the Department certain changes and actions that affect the Institution's participation approval, as specified in 34 CFR 600 and 668, including, but not limited to:

- Change of name and/or address;
- New contract or significant modification of existing contract with a third-party servicer;
- Change in exercise of a person's substantial control over the Institution, e.g., a change in the chief executive officer or members of the board of trustees or board of directors;

---

[1] If the Institution wishes to begin participating in the Direct Loan Program or to request a change in its origination option, contact the number above.

[2] The Federal Campus-Based Programs are (a) the Federal Supplemental Educational Opportunity Grant Program, (b) the Federal Work-Study Program, and (c) the Federal Perkins Loan Program. To obtain funding under any or all of these programs, the Institution must file the Fiscal Operations Report and Application to Participate (FISAP) annually. FISAP packages are typically available at the end of July each year and the due date for electronic submission of this data is generally a postmark or transmission date of October 1. Please keep in mind that the October 1 submission is to obtain funding for the Award Year that begins the following July1.

[3] If you wish to register for Fundamentals of Title IV Administration (Precertification) Training, please register via www.ed.gov/offices/OSFAP/sfau. For information concerning the training, contact the Denver Team at the telephone number listed later in this letter.

- Change in the way the Institution measures educational program length;
- Change in the level of course offerings;
- Additions and/or closures of non-main campus locations that offer at least 50% of an educational program;
- Change of accrediting agency;
- Change of the state agency that confers legal authority on the Institution to offer programs of postsecondary education;
- Change in ownership *whether or not* that ownership change results in a change in control of the Institution.

If the Institution fails to report any such changes within 10 days after the change occurs, the ability of the Institution to administer the Title IV student financial assistance programs properly will be called into question. As a consequence, we will consider whether it is necessary to monitor the Institution's receipt of Federal funds more closely. Failure to report changes within the time frame required may also result in an adverse action being taken against the Institution in accordance with 34 CFR 668, Subpart G.

Automatic Termination of Approval

This Approval for Institutional Participation automatically terminates on the happening of any of the following events:

- June 30, 2005;
- The date the Institution loses the legal authority to offer programs of postsecondary education in the State in which it is located;
- The date the Institution loses accreditation from its designated primary accrediting agency;
- The date the Institution ceases to offer all approved postsecondary instruction;
- The date the Institution merges with another institution;
- The date the Institution undergoes a change in ownership resulting in a change of control;
- The date the Institution files for bankruptcy; or
- The date the Institution otherwise ceases to meet the definition of an eligible institution of higher education.

Please send all information or documentation required by this letter to:

United States Department of Education

Federal Student Aid, Schools Channel
Attention: Denver Case Team
1391 North Speer Blvd.
Suite 800
Denver, CO 80204-2512

The telephone number for the Denver Team is (303) 884-3677. The fax number is (303) 884-4695.

Sincerely,

John Doe
Area Case Director
Denver Team

cc: Ms. Dolly Madison, Financial Aid Director

UNITED STATES DEPARTMENT OF EDUCATION
FEDERAL STUDENT AID
CASE MANAGEMENT & OVERSIGHT

PROGRAM PARTICIPATION AGREEMENT
[PROVISIONAL APPROVAL]

Effective Date of Approval:	The date on which this Agreement is signed on behalf of the Secretary of Education
Approval Expiration Date:	**June 30, 2005**
Reapplication Date:	**March 31, 2005**

Name of Institution: **Test School of South Dakota**
Address of Institution: **123 Roosevelt Lane**
Rapid City, SD 57624-0000

OPE ID Number:	**12345600**
DUNS Number:	**99887766**
Taxpayer Identification Number (TIN):	**987654321**

The execution of this Agreement by the Institution and the Secretary is a prerequisite to the Institution's initial or continued participation in any Title IV, HEA Program.

The postsecondary educational institution listed above, referred to hereafter as the "Institution," and the United States Secretary of Education, referred to hereafter as the "Secretary," agree that the Institution may participate in those student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA Programs) indicated under this Agreement and further agree that such participation is subject to the terms and conditions set forth in this Agreement. As used in this Agreement, the term "Department" refers to the U.S. Department of Education.

SCOPE OF COVERAGE

This Agreement applies to all locations of the institution as stated on the most current ELIGIBILITY AND CERTIFICATION APPROVAL REPORT issued by the Department. This Agreement covers the Institution's eligibility to participate in each of the following listed Title IV, HEA programs, and incorporates by reference the regulations cited.

- **FEDERAL PELL GRANT PROGRAM,** *20 U.S.C. 1070a et seq. 34 CFR Part 690.*
- **FEDERAL FAMILY EDUCATION LOAN PROGRAM,** *20 U.S.C. 1071 et seq; 34 CFR Part 682.*
- **FEDERAL DIRECT STUDENT LOAN PROGRAM,** *20 U.S.C. 1087a et seq; 34 CFR Part 685.*

- **FEDERAL PERKINS LOAN PROGRAM,** *20 U.S.C. 1087aa et seq; 34 CFR Part 674.*
- **FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM,** *20 U.S.C. 1070b et seq; 34 CFR Part 676.*
- **FEDERAL WORK-STUDY PROGRAM,** *42 U.S.C. 2751 et seq; 34 CFR Part 675.*

PROVISIONAL CERTIFICATION

This provisional certification is granted for a limited period to permit the Institution to participate in the Title IV, HEA programs referenced in this Agreement. During the period of provisional certification, the participation of the Institution will be subject to revocation for cause. Cause for revocation includes, without limitation, a failure to comply with any provision set forth in this Agreement, a violation of Department regulations deemed material by the Department, or a material misrepresentation in the material submitted to the Department as part of the Institution's application process for this certification. The Department in its sole discretion may provide the Institution with an opportunity to cure any such failure, may place the Institution on reimbursement funding pending a decision regarding revocation of this Agreement by a designated Department official, or may suspend the participation of the Institution pending a decision by the Department regarding revocation of this Agreement. In the event the Department chooses to revoke this Agreement and the Institution's participation in the Title IV, HEA programs, the Institution will have the right to show cause why this Agreement should not be revoked by presenting its objections to the designated Department official in writing. The Institution agrees that this opportunity to show cause, and not the procedures in 34 CFR 668 subpart G, shall be the sole administrative appeal regarding such revocation. The decision by the designated Department official will constitute the final agency action.

Special Requirements for Substantial Changes Made During Term of Provisional Certification

Any institution, whether provisionally certified or generally certified, must apply for and receive approval by the Secretary of any substantial change (as hereinafter identified) before it may award, disburse or distribute Title IV, HEA funds based on the substantial change. Substantial changes generally include, but are not limited to: (a) establishment of an additional location; (b) change in ownership, merger or change of type of institution (such as conversion from proprietary to private nonprofit); (c) increase in the level of academic offering beyond those listed in the Institution's Eligibility and Certification Approval Report (ECAR); (d) addition of any nondegree or short-term training program that is not within the immediate scope of programs listed in the ECAR; (e) change in the form of educational measurement; (f) change of State authorizing agency or of primary accrediting agency; or (g) any waiver or recognition of regulatory exception.

If the Institution applies for the Secretary's approval of a substantial change, it must show good cause for making any such substantial change and, in the case of any change described in (a) through (d), the Institution must demonstrate that it has the financial and administrative resources necessary to assure the Institution's continued compliance with the standards of financial responsibility (34 CFR 668.15) and administrative capability (34 CFR 668.16).

Reasons and Special Conditions of Provisional Certification

Initial Certification

The Institution is approved for the first time to participate in Title IV, HEA programs, and is granted provisional certification for a period not to exceed one complete award year in which to demonstrate that it satisfies the standards of financial stability and administrative capability.

Application for Recertification

Upon completion of the period of provisional certification, if the Institution wishes to apply for recertification to participate in the Title IV, HEA programs, the Institution must submit a completed Application for Approval to Participate in Federal Student Financial Aid Programs (ED Form E40-34P), together with all required supporting documentation, no later than March 31, 2005.

Grant or Denial of Full Certification

Notwithstanding any paragraph above, the provisional certification ends upon the Department's notification to the Institution of the Department's decision to grant or deny a six-year certification to participate in the Title IV, HEA programs.

GENERAL TERMS AND CONDITIONS

1. The Institution understands and agrees that it is subject to and will comply with the program statutes and implementing regulations for institutional eligibility as set forth in 34 CFR Part 600 and for each Title IV, HEA program in which it participates, as well as the general provisions set forth in Part F and Part G of Title IV of the HEA, and the Student Assistance General Provisions regulations set forth in 34 CFR Part 668.

   The recitation of any portion of the statute or regulations in this Agreement does not limit the Institution's obligation to comply with other applicable statutes and regulations.

2. a. The Institution certifies that on the date it signs this Agreement, it has a drug abuse prevention program in operation that it has determined is accessible to any officer, employee, or student at the Institution.
   b. The Institution certifies that on the date it signs this Agreement, it is in compliance with the disclosure requirements of Section 485(f) of the HEA (Campus Security Policy and Crime Statistics).

3. The Institution agrees to comply with --
   a. Title VI of the Civil Rights Act of 1964, as amended, and the implementing regulations, 34 CFR Parts 100 and 101 (barring discrimination on the basis of race, color or national origin);
   b. Title IX of the Education Amendments of 1972 and the implementing regulations, 34 CFR Part 106 (barring discrimination on the basis of sex);
   c. The Family Rights and Privacy Act of 1974 and the implementing regulations, 34 CFR Part 99;
   d. Section 504 of the Rehabilitation Act of 1973 and the implementing regulations, 34 CFR Part 104 (barring discrimination on the basis of physical handicap); and
   e. The Age Discrimination Act of 1975 and the implementing regulations, 34 CFR Part 110.

4. The Institution acknowledges that 34 CFR Parts 602 and 667 require accrediting agencies, State regulatory bodies, and the Secretary to share information about institutions. The Institution agrees that the Secretary, any accrediting agency recognized by the Secretary, and any State regulatory body may share or report information to one another about the Institution without limitation.

5. The Institution acknowledges that the HEA prohibits the Secretary from recognizing the accreditation of any institution of higher education unless that institution agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

SELECTED PROVISIONS FROM GENERAL PROVISIONS REGULATIONS, 34 CFR PART 668

By entering into this Program Participation Agreement, the Institution agrees that:

(1) It will comply with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA, including the requirement that the institution will use funds it receives under any Title IV, HEA program and any interest or other earnings thereon, solely for the purposes specified in and in accordance with that program;

(2) As a fiduciary responsible for administering Federal funds, if the institution is permitted to request funds under a Title IV, HEA program advance payment method, the institution will time its requests for funds under the program to meet the institution's immediate Title IV, HEA program needs;

(3) It will not request from or charge any student a fee for processing or handling any application, form, or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance;

(4) It will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to--

(i) The Secretary;

(ii) The State [regulatory bodies] for the State or States in which the institution or any of the institution's branch campuses or other locations are located;

(iii) A guaranty agency, as defined in 34 CFR part 682, that guarantees loans made under the Federal Stafford Loan, and Federal PLUS programs for attendance at the institution or any of the institution's branch campuses or other locations;

(iv) The nationally recognized accrediting agency that accredits or preaccredits the institution or any of the institution's branch campuses, other locations, or educational programs;

(v) The State agency that legally authorizes the institution and any branch campus or other location of the institution to provide postsecondary education; and

(vi) In the case of a public postsecondary vocational educational institution that is approved by a State agency recognized for the approval of public postsecondary vocational education, that State agency;

(5) It will comply with the provisions of financial responsibility;

(6) It will comply with the provisions of §668.16 relating to standards of administrative capability;

(7) It will submit reports to the Secretary and, in the case of an institution participating in the Federal Stafford Loan, Federal PLUS, or the Federal Perkins Loan Program, to holders of loans made to the institution's students under that program at such times and containing such information as the Secretary may reasonably require to carry out the purpose of the Title IV, HEA programs;

(8) It will not provide any statement to any student or certification to any lender under the Federal Stafford Loan or Federal PLUS Program that qualifies the student for a loan or loans in excess of the amount that the student is eligible to borrow in accordance with sections 425(a), 428(a)(2), 428(b)(1)(A) and (B), and 428H of the HEA;

(9) It will comply with the requirements of Subpart D of 34 CFR part 668 concerning institutional and financial assistance information for students and prospective students;

(10) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, it will make available to prospective students, at or before the time that those students apply for enrollment-

(i) The most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements; and

(ii) Relevant State licensing requirements of the State in which the institution is located for any job for which an educational program offered by the institution is designed to prepare those prospective students;

(11) In the case of an institution participating in the Federal Stafford Loan, or Federal PLUS Program, the institution will inform all eligible borrowers, as defined in 34 CFR part 682, enrolled in the institution about the availability and eligibility of those borrowers for State grant assistance from the State in which the institution is located, and will inform borrowers from another State of the source for further information concerning State grant assistance from that State.

(12) It will provide the certifications described in paragraph (c) of this section;

(13) In the case of an institution whose students receive financial assistance pursuant to section 484(d) of the HEA, the institution will make available to those students a program proven successful in assisting students in obtaining the recognized equivalent of a high school diploma;

(14) It will not deny any form of Federal financial aid to any eligible student solely on the grounds that the student is participating in a program of study abroad approved for credit by the institution;

(15) In the case of an institution seeking to participate for the first time in the Federal Stafford Loan and Federal PLUS programs, the institution has included a default management plan as part of its application under §668.12 for participation in those programs and will use the plan for at least two years from the date of that application. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in the June 2001 Dear Partner Letter, GEN-01-08;

(16) In the case of an institution that changes ownership that results in a change of control, or that changes its status as a main campus, branch campus, or an additional location, the institution will, to participate in the Federal Stafford Loan and Federal PLUS Programs, develop a default management plan for approval by the Secretary and implement the plan for at least two years after the change in control or status. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in the June 2001 Dear Partner Letter, GEN-01-08;

(17) The Secretary, guaranty agencies and lenders as defined in 34 CFR Part 682, nationally recognized accrediting agencies, the Secretary of Veterans Affairs, State [regulatory bodies], State agencies recognized under 34 CFR part 603 for the approval of public postsecondary vocational education, and State agencies that legally authorize institutions and branch campuses or other locations of institutions to provide postsecondary education, have the authority to share with each other any information pertaining to the institution's eligibility for or participation in the Title IV, HEA programs or any information on fraud and abuse;

(18) It will not knowingly --

(i) Employ in a capacity that involves the administration of the Title IV, HEA programs or the receipt of funds under those programs, an individual who has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(ii) Contract with an institution or third-party servicer that has been terminated under section 432 of the HEA for a reason involving the acquisition, use, or expenditure of Federal, State, or local government funds, or that has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds; or

(iii) Contract with or employ any individual, agency, or organization that has been, or whose officers or employees have been--

(A) Convicted of, or pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds; or

(B) Administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(19) It will complete, in a timely manner and to the satisfaction of the Secretary, surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal collection effort, as designated by the Secretary, regarding data on postsecondary institutions;

(20) In the case of an institution that offers athletically related student aid, it will comply with the provisions of paragraph (d) of this section;

(21) It will not impose any penalty, including, but not limited to, the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds for which interest or other charges are assessed, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a Title IV, HEA program loan due to compliance with statutory and regulatory requirements of or applicable to the Title IV, HEA programs, or delays attributable to the institution;

(22) It will not provide, nor contract with any entity that provides, any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the awarding of student financial assistance, except that this requirement shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance. This provision does not apply to the giving of token gifts to students or alumni for referring students for admission to the institution as long as: the gift is not in the form of money, check, or money order; no more than one such gift is given to any student or alumnus; and the gift has a value of not more than $100;

(23) It will meet the requirements established pursuant to Part H of Title IV of the HEA by the Secretary, State [authorizing bodies], and nationally recognized accrediting agencies;

(24) It will comply with the refund provisions established in 668.22;

(25) It is liable for all improperly administered funds received or refunded under the Title IV, HEA programs, including any funds administered by a third-party servicer; and

(26) If the stated objectives of an educational program of the institution are to prepare a student for gainful employment in a recognized occupation, the institution will--

(i) Demonstrate a reasonable relationship between the length of the program and entry level requirements for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency; and

(ii) Establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student.

(c) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), the institution must certify that it--

(1) Has in operation a drug abuse prevention program that the institution has determined to be accessible to any officer, employee, or student at the institution; and

(2)(i) Has established a campus security policy in accordance with section 485(f) of the HEA; and

(ii) Has complied with the disclosure requirements of §668.47 as required by section 485(f) of the HEA.

(d) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), an institution that offers athletically related student aid must--

(l) Cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of the institution's fiscal year, of--

(i) The revenues derived by the institution from the institution's intercollegiate athletics activities, according to the following categories:

(A) Total revenues.

(B) Revenues from football.

(C) Revenues from men's basketball.

(D) Revenues from women's basketball.

(E) Revenues from all other men's sports combined.

(F) Revenues from all other women's sports combined;

(ii) Expenses made by the institution for the institution's intercollegiate athletics activities, according to the following categories:

(A) Total expenses.

(B) Expenses attributable to football.

(C) Expenses attributable to men's basketball.

(D) Expenses attributable to women's basketball.

(E) Expenses attributable to all other men's sports combined.

(F) Expenses attributable to all other women's sports combined; and

(iii) The total revenues and operating expenses of the institution; and

(2) Make the compilation and, where allowable by State law, the results of the audits required by paragraph (d)(1) of this section available for inspection by the Secretary and the public.

(e) For the purposes of paragraph (d) of this section--

(l) Revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues and other conference distributions, appearance guarantees and options, concessions, and advertising;

(2) Revenues such as student activities fees, alumni contributions, and investment interest income that are not allocable to a sport shall be included in the calculation of total revenues only;

(3) Expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies; and

(4) Expenses such as general and administrative overhead that are not allocable to a sport shall be included in the calculation of total expenses only.

(f)(1) A program participation agreement becomes effective on the date that the Secretary signs the agreement.

(2) A new program participation agreement supersedes any prior program participation agreement between the Secretary and the institution.

(g)(1)(i) With respect to an institution that has been *other than under a provisional certification--*

(A) Except as provided in paragraphs (h) and (i) of this section, the Secretary terminates a program participation agreement through the proceedings in subpart G of this part.

(B) An institution may terminate a program participation agreement.

(C) If the Secretary or the institution terminates a program participation agreement under paragraph (g) of this section, the Secretary establishes the termination date.

(2) With respect to an institution that has been *provisionally certified,* the Secretary revokes a provisional certification through the proceedings in §668.13(d).

(h) An institution's program participation agreement automatically expires on the date that--

(l) The institution changes ownership that results in a change in control as determined by the Secretary under 34 CFR part 600; or

(2) The institution's participation ends under the provisions of §668.26(a)(1), (2), (4), or (7).

(i) An institution's program participation agreement no longer applies to or covers a location of the institution as of the date on which that location ceases to be a part of the participating institution.

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

If an institution participates in the William D. Ford Federal Direct Loan (Direct Loan) Program, the institution and its representatives shall comply with the statute, guidelines, and regulations governing the Title IV, Part D, William D. Ford Federal Direct Loan Program as required by Section 454 of Public Law 103-66.

The institution will:

1. Provide for the establishment and maintenance of a Direct Loan Program at the Institution that will:

    Identify eligible students who seek student financial assistance in accordance with Section 484 of the Higher Education Act of 1965, as amended (the HEA).

    Estimate the need of students as required under Title IV, Part F of the HEA.

    Provide a certification statement of eligibility for students to receive loans that will not exceed the annual or aggregate limits, except the Institution may exercise its authority, under exceptional circumstances identified by the Secretary, to refuse to certify a statement that permits a student to receive a loan, or certify a loan amount that is less than the student's determination of need, if the reason for such action is documented and provided in written form to a student.

    Establish a schedule for disbursement of loan proceeds to meet the requirements of Section 428G of the HEA.

    Provide timely and accurate information to the Secretary concerning 1) the status of borrowers while students are in attendance, any new information pertaining to the status of student borrowers of which the Institution becomes aware after the student leaves the Institution, and 2) the utilization of Federal funds under Part D at such times and in such manner as prescribed by the Secretary.

2. Comply with requirements established by the Secretary relating to student loan information with respect to the Direct Loan Program.

BEST COPY AVAILABLE

3. Provide that students at the Institution and their parents (with respect to such students) will be eligible to participate in the programs under Title IV, Part B of the HEA, Federal Family Education Loan programs, at the discretion of the Secretary for the period during which such Institution participates in the Direct Loan Program, except that a student or parent may not receive loans under both Part B and Part D of the HEA for the same period of enrollment.

4. Provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with Institutions of higher education, to ensure that the Institution is complying with program requirements and meeting program objectives.

5. Provide that the Institution will not charge any fees of any kind, regardless of how they are described, to student or parent borrowers for loan application, or origination activities (if applicable), or the provision and processing of any information necessary for a student or parent to receive a loan under Part D of the HEA.

6. Provide that the Institution will originate loans to eligible students and parents in accordance with the requirements of Part D of the HEA and use funds advanced to it solely for that purpose (Option 2 only).

7. Provide that the note or evidence of obligation of the loan shall be the property of the Secretary (Options 2 and 1 only).

8. Implement such other provisions as the Secretary determines are necessary to protect the interest of the United States and to promote the purposes of Part D of the HEA.

9. Accept responsibility and financial liability stemming from its failure to perform its functions under this Program Participation Agreement.

The Institution's continued approval to participate in the Direct Loan Program will be based on the Department of Education's review and approval of the Institution's future applications for recertification to continue participating in the federal student aid programs.

CERTIFICATIONS REQUIRED FROM INSTITUTIONS

The Institution should refer to the regulations cited below. Signature on this Agreement provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying," and 34 CFR Part 85, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirement for Drug-Free Workplace (Grants)." Breach of any of these certificates constitutes a breach of this Agreement.

PART 1 CERTIFICATION REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

1. Lobbying

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a grant or cooperative agreement over $100,000, as defined at 34 CFR Part 82, Sections 82.105, and 82.110, the Institution certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Grant or cooperative agreement, the Institution shall complete and submit Standard Form – LLL, "Disclosure Form to Report Lobbying," in accordance with all subrecipients shall certify and disclose accordingly.

(c) The Institution shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions as defined at 34 CFR Part 85, Sections 85.105 and 85.110, the Institution certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, and State, or local) terminated for cause or default.

3. Drug-Free Workplace (Grantees Other Than Individuals)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605, and 85.610 – 635,

The Institution certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about-
  (1)The dangers of drug abuse in the workplace;
  (2)The Institution's policy of maintaining a drug-free workplace;
  (3)Any available drug counseling, rehabilitation, and employee assistance programs; and
  (4)The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
  (1) Abide by the terms of the statement, and
  (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under this subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-5140. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1972, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

4. Drug-Free Workplace (Grantees Who Are Individuals)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605, and 85.610 – 635,

1. As a condition of the grant, the Institution certifies that it will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and
2. If any officer or owner of the Institution is convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, the Institution will report the conviction, in writing, within 10 calendar days of the conviction, to: Director, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-5140. Notice shall include the identification number(s) of each affected grant.

PART 2 U.S. DEPARTMENT OF EDUCATION DRUG PREVENTION CERTIFICATION

The undersigned Institution certifies that it has adopted and implemented a drug prevention program for its students and employees that, at a minimum, includes--

1. The annual distribution in writing to each employee, and to each student who is taking one or more classes for any kind of academic credit except for continuing education units, regardless of the length of the student's program of study, of:
    - Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities.
    - A description of the applicable legal sanctions under local, State or Federal law for the unlawful possession or distribution of illicit drugs and alcohol.
    - A description of the health risks associated with the use of illicit drugs and the abuse of alcohol.
    - A clear statement that the Institution will impose disciplinary sanctions on students and employees (consistent with local, State and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violation of the standards of conduct. A disciplinary sanction may include the completion of an appropriate rehabilitation program.
    - A description of any drug or alcohol counseling, treatment, or re-entry programs that are available to employees or students.
2. A biennial review by the Institution of its program to:
    - Determine its effectiveness and implement changes to the program if they are needed.
    - Ensure that its disciplinary sanctions are consistently enforced.

PART 3 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED TRANSACTIONS

The Institution is to obtain the signatures of Lower Tier Contractors on facsimiles of the certification reproduced below, and retain in the Institution's files.

CERTIFICATION BY LOWER TIER CONTRACTOR

(Before Completing Certification, Read Instructions for This Part 3, below)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name of Lower Tier Organization	PR/Award Number or Project Name
Name of Authorized	Title of Authorized Representative
Signature of Authorized Representative	Date

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant

is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

NOTE: The "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions" form is to be retained by the Institution.

IN WITNESS WHEREOF

the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Signature of Institution's
Chief Executive Officer: ______________________________ Date: ______________

Print Name and Title: ______________________________

____

For the Secretary: ______________________________ Date: ______________

UNITED STATES DEPARTMENT OF EDUCATION
CASE MANAGEMENT & OVERSIGHT
ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 07/30/2003

NAME AND ADDRESS OF INSTITUTION: **Test School of South Dakota**
123 Roosevelt Lane
Rapid City, South Dakota 57624

TYPE OF INSTITUTION: **Proprietary**

CONGRESSIONAL DISTRICT: 01
DEPARTMENT REGION: 08
CASE TEAM: 08

ACTION DATE: 06/24/2003
ACTION: Approve New Elig/Prov Cert

OPE ID : 123456 00
TIN ID : 987654321
IPEDS ID : 123456
DUNS NBR : 99887766
PIN ID : X123

FEDERAL PELL GRANT ID : 123456
FEDERAL FAMILY EDUCATION LOAN ID : 123456
FEDERAL DIRECT STUDENT LOAN ID : G23456
FEDERAL PERKINS LOAN ID :
FEDERAL WORK – STUDY ID :
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT ID :

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 07/30/2003

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00

ELIGIBLE : Y
INITIAL APPROVAL DATE : 06/24/2003
CERTIFIED : Provisional
LOAN DEFERMENT : Y
PROGRAM PARTICIPATION AGREEMENT
EFFECTIVE DATE : 06/24/2003
EXPIRATION DATE : 06/30/2005

ACADEMIC CALENDAR :
HIGHEST EDUCATIONAL PROGRAM OFFERED : Non-Degree (600-899 hours)

WAIVERS(S): **** End of Waivers ***

THE INSTITUTION IS ELIGIBLE TO APPLY FOR PARTICIPATION IN THE FOLLOWING PROGRAMS AUTHORIZED UNDER THE HIGHER EDUCATION ACT OF 1965, AS AMENDED:

TITLE I :	N	TITLE IV :	Y	TITLE VII :	N	TITLE X :	N	TITLE XIII :	N
TITLE II :	N	TITLE V :	N	TITLE VIII :	N	TITLE XI :	N	TITLE XIV :	N
TITLE III :	N	TITLE VI :	N	TITLE IX :	N	TITLE XII :	N	TITLE XV :	N

TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS

PROGRAM	CERTIFIED	APPROVAL DATE	PROGRAM	CERTIFIED	APPROVAL DATE
FPell	Y	06/24/2003	FFEL Staff	Y	06/24/2003
FFEL Staff Unsub	Y	06/24/2003	FFEL PLUS	Y	06/24/2003
FDSLP Staff	Y	06/24/2003	FDSLP Staff Unsub	Y	06/24/2003
FDSLP PLUS	Y	06/24/2003	FPerkins	Y	06/24/2003
FSEOG	Y	06/24/2003	FWS Com Serv	Y	06/24/2003
FWS Priv Sec Empl	Y	06/24/2003	FWS Job Loc Dev	Y	06/24/2003

**** End Of Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

ACCREDITING AGENCY	ACCREDITATION DESIGNATION	SCOPE	EFFECTIVE YEAR	NUMBER OF YEARS YEARS
Accrediting Commission of Career Schools and Colleges of Techonology	Primary	Institutional	2000	5

**** End Of Accreditation Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

STATE AUTHORIZATION

STATE AGENCY

South Dakota Department of Education

**** End Of State Authorization Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 07/30/2003

OFFICIALS SECTION

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

OFFICIALS

NAME AND ADDRESS	TITLE	PHONE	FAX	INTERNET
Lincoln, Abraham 123 Roosevelt Lane Rapid City, SD 57625	President Member of the Board	605-123-4567	605-123-0000	
Madison, Dolly 123 Roosevelt Lane Rapid City, SD 57625	Financial Aid Director	605-123-4567	605-123-0000	dmadison@TSSC.net
Washington, Martha 123 Roosevelt Lane Rapid City, SD 57625	Business Manager	605-123-4567	605-123-0000	
Jefferson, Thomas 123 Roosevelt Lane Rapid City, SD 57625	Member of the Board	605-123-4567	605-123-0000	
Roosevelt, Theodore 123 Roosevelt Lane Rapid City, SD 57625	Member of the Board	605-123-4567	605-123-0000	

**** End Of Officials Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 07/30/2003 ADDITIONAL LOCATIONS SECTION PAGE E – 1

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

ADDITIONAL LOCATIONS

OPE ID	NAME AND ADDRESS	APPROVED FOR CERTIFICATION	INITAL APPROVAL DATE
123456 01	Test School of South Dakota-Midwest Center 542 Washington Street Sturgis, SD 555512	Y	06/24/2001
123456 02	Black Hills School of Mines 987 Jefferson Drive Rapid City, SD 55512	Y	06/24/2001

**** End Of Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

DATE PRINTED: 07/30/2003 VOCATIONAL PROGRAMS SECTION PAGE F – 1

INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

VOCATIONAL PROGRAMS

CIP	INSTITUTION'S PROGRAM NAME	APPROVED	FIRST OFFERED	CREDIT HOURS	TYPE	CLOCK HOURS	DURATION IN WEEKS
12.0405	Massage Therapy Program	Y	01/01/1996		Clock Hours	525	33
12.0405	Soft Tissue Therapy Program	Y	06/01/1997		Clock Hours	600	44

**** End Of Section ****

CASE MANAGEMENT & OVERSIGHT

ELIGIBILITY AND CERTIFICATION APPROVAL REPORT

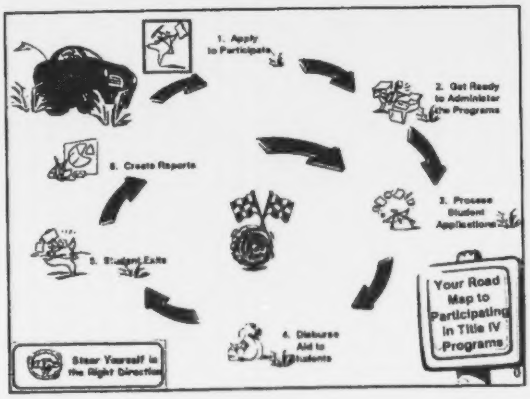
DATE PRINTED: 07/30/2003 OWNERSHIP SECTION PAGE G – 1

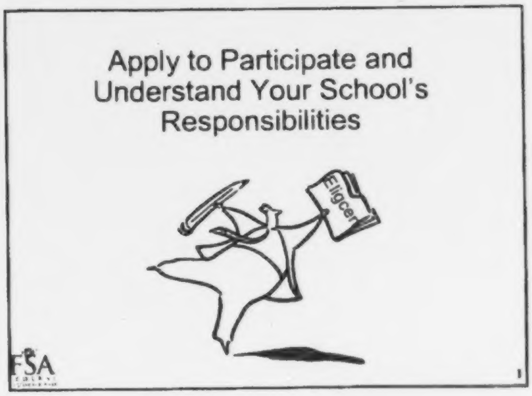
INSTITUTION NAME : Test School of South Dakota
OPE ID : 123456 00
INSTITUTION TYPE : Proprietary

OWNERSHIP

TIN	LEVEL	NAME	PERCENT OWNED	START DATE
	1	Abraham Lincoln 123 Roosevelt Lane Rapid City, SD 57624	100%	06/01/1995

**** End Of Section ****


1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Direction
0

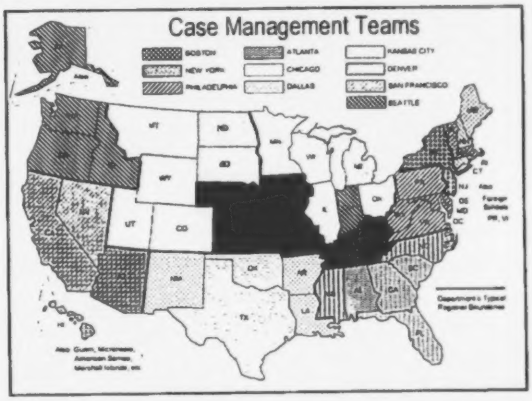


Apply to Participate and Understand Your School's Responsibilities

FSA

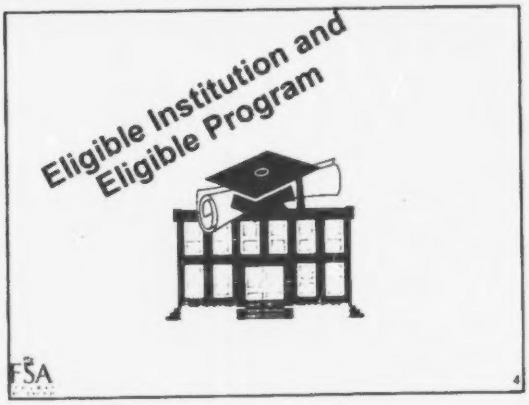
- Help! Whom do we contact to get the process started?
- What eligibility requirements must a school meet in order to participate in Title IV?
  - Institutional eligibility, program eligibility, administrative capability, fiscal responsibility
- How do we apply to participate in Title IV?
- Once we are approved to participate in Title IV, then what happens?

FSA



Case Management Teams

BOSTON
NEW YORK
PHILADELPHIA
ATLANTA
CHICAGO
DALLAS
KANSAS CITY
DENVER
SAN FRANCISCO
SEATTLE
MT
ND
SD
MN
WI
MI
WY
UT
CO
IL
OH
OK
AR
NM
TX
LA
AL
GA
SC
FL
NV
CT
NJ
DE
MD
DC
HI
Also Foreign Schools PR, VI
Department's Typical Regional Boundaries
Also Guam, Micronesia, American Samoa, Marshall Islands, etc.



Eligible Institution and Eligible Program

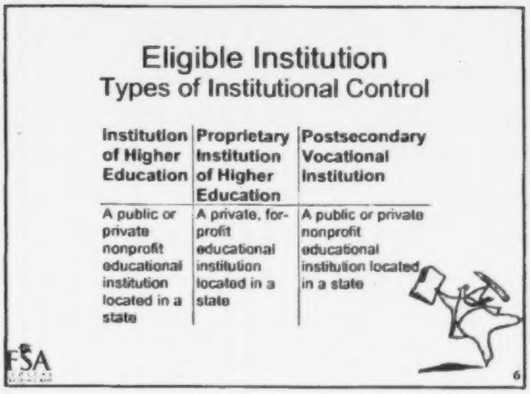
FSA

Eligible Institution
Minimum Eligibility Requirements

- Authorized by the state
- Accredited by accrediting agency recognized by the Department of Education
- Admit students with high school diplomas or equivalent, or are beyond the age of compulsory attendance
- At least one eligible program

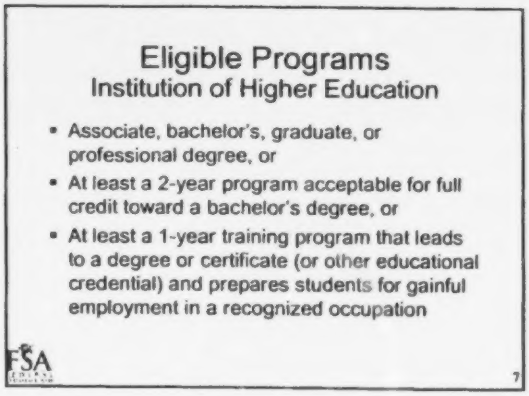
FSA

BEST COPY AVAILABLE



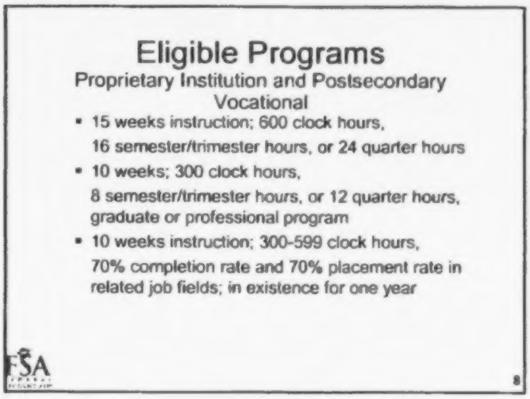
Eligible Institution
Types of Institutional Control

Institution of Higher Education	Proprietary Institution of Higher Education	Postsecondary Vocational Institution
A public or private nonprofit educational institution located in a state	A private, for-profit educational institution located in a state	A public or private nonprofit educational institution located in a state



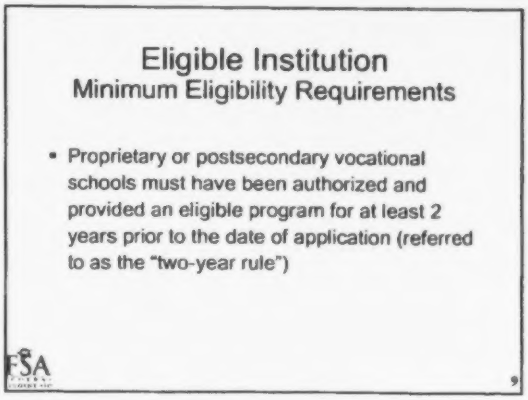
Eligible Programs
Institution of Higher Education

- Associate, bachelor's, graduate, or professional degree, or
- At least a 2-year program acceptable for full credit toward a bachelor's degree, or
- At least a 1-year training program that leads to a degree or certificate (or other educational credential) and prepares students for gainful employment in a recognized occupation



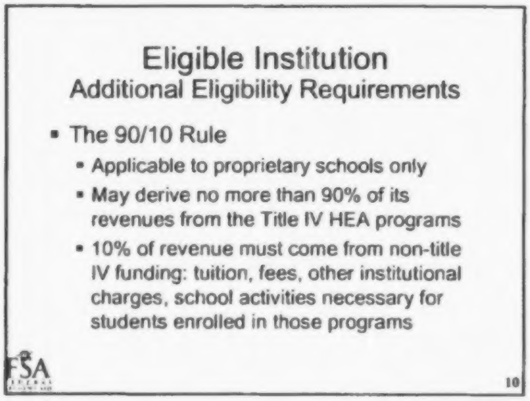
Eligible Programs
Proprietary Institution and Postsecondary Vocational

- 15 weeks instruction; 600 clock hours,
  16 semester/trimester hours, or 24 quarter hours
- 10 weeks; 300 clock hours,
  8 semester/trimester hours, or 12 quarter hours, graduate or professional program
- 10 weeks instruction; 300-599 clock hours,
  70% completion rate and 70% placement rate in related job fields; in existence for one year



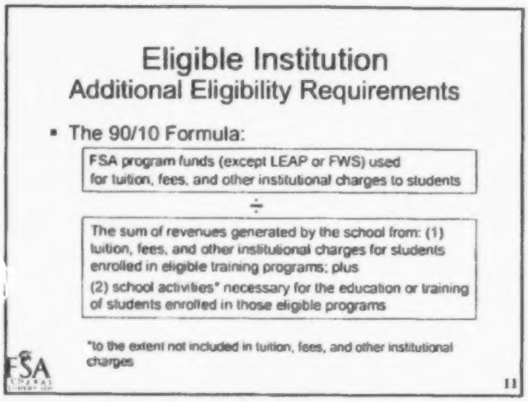
Eligible Institution
Minimum Eligibility Requirements

- Proprietary or postsecondary vocational schools must have been authorized and provided an eligible program for at least 2 years prior to the date of application (referred to as the "two-year rule")



Eligible Institution
Additional Eligibility Requirements

- The 90/10 Rule
  - Applicable to proprietary schools only
  - May derive no more than 90% of its revenues from the Title IV HEA programs
  - 10% of revenue must come from non-title IV funding: tuition, fees, other institutional charges, school activities necessary for students enrolled in those programs



Eligible Institution
Additional Eligibility Requirements

- The 90/10 Formula:

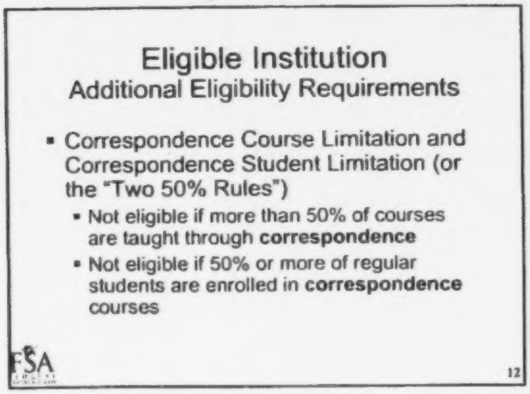
FSA program funds (except LEAP or FWS) used for tuition, fees, and other institutional charges to students

÷

The sum of revenues generated by the school from: (1) tuition, fees, and other institutional charges for students enrolled in eligible training programs; plus

(2) school activities* necessary for the education or training of students enrolled in those eligible programs

*to the extent not included in tuition, fees, and other institutional charges

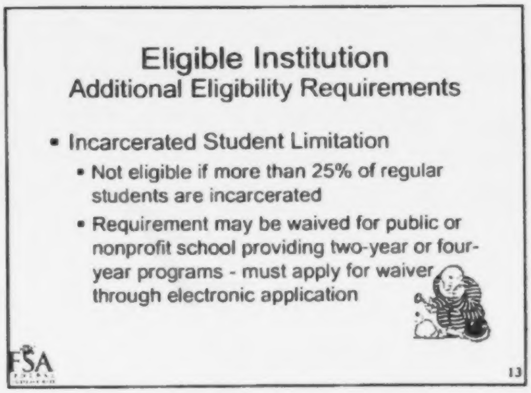


Eligible Institution

Additional Eligibility Requirements

- Correspondence Course Limitation and Correspondence Student Limitation (or the "Two 50% Rules")
  - Not eligible if more than 50% of courses are taught through **correspondence**
  - Not eligible if 50% or more of regular students are enrolled in **correspondence** courses

FSA

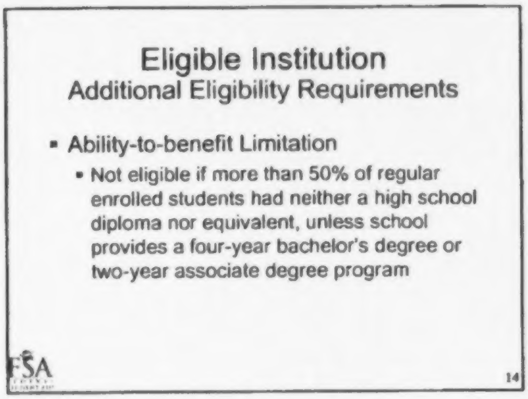


Eligible Institution

Additional Eligibility Requirements

- Incarcerated Student Limitation
  - Not eligible if more than 25% of regular students are incarcerated
  - Requirement may be waived for public or nonprofit school providing two-year or four-year programs - must apply for waiver through electronic application

FSA

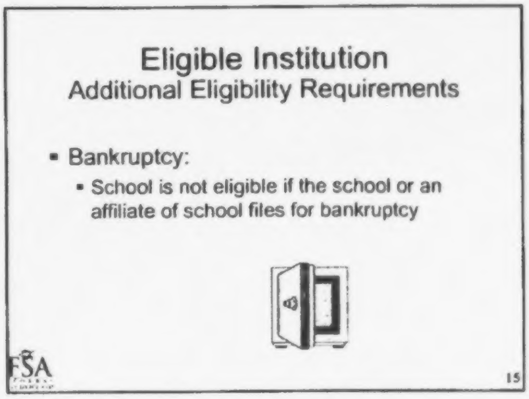


Eligible Institution

Additional Eligibility Requirements

- Ability-to-benefit Limitation
  - Not eligible if more than 50% of regular enrolled students had neither a high school diploma nor equivalent, unless school provides a four-year bachelor's degree or two-year associate degree program

FSA

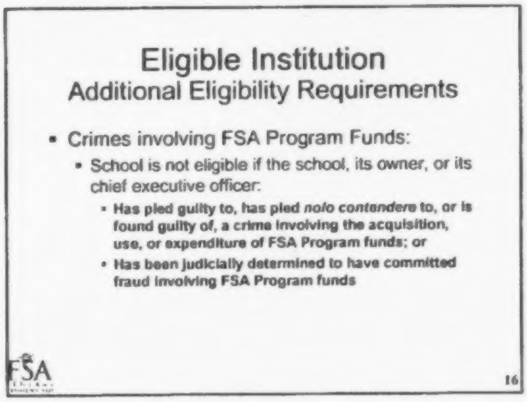


Eligible Institution

Additional Eligibility Requirements

- Bankruptcy:
  - School is not eligible if the school or an affiliate of school files for bankruptcy

FSA

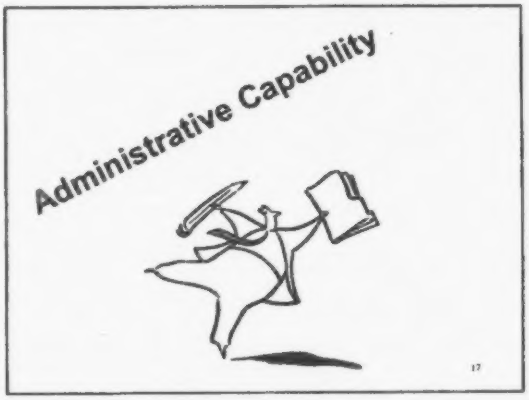


Eligible Institution

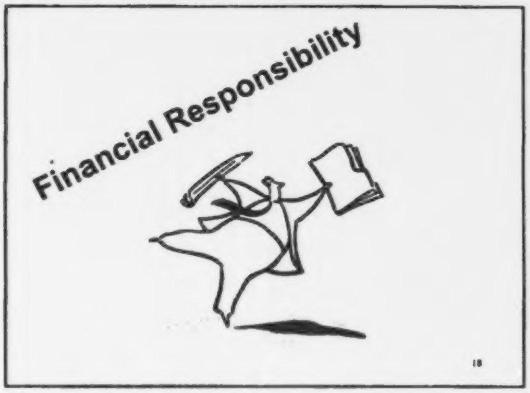
Additional Eligibility Requirements

- Crimes involving FSA Program Funds:
  - School is not eligible if the school, its owner, or its chief executive officer:
    - **Has pled guilty to, has pled *nolo contendere* to, or is found guilty of, a crime involving the acquisition, use, or expenditure of FSA Program funds; or**
    - **Has been judicially determined to have committed fraud involving FSA Program funds**

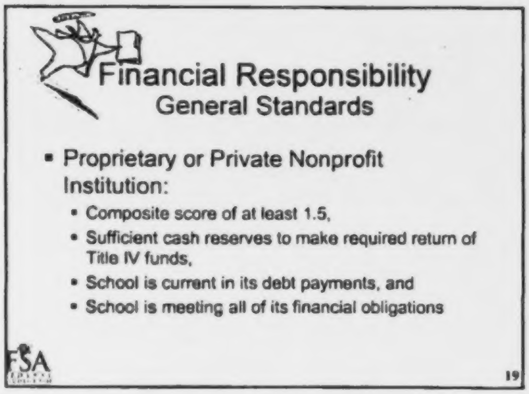
FSA



Administrative Capability

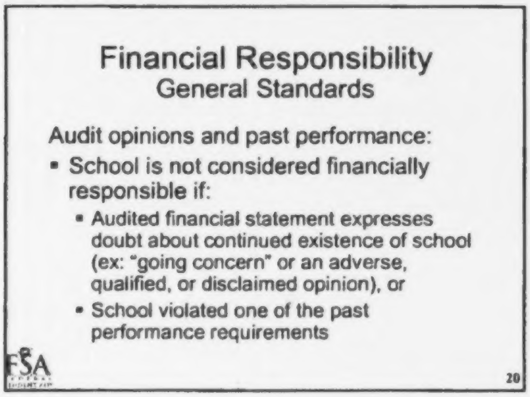


Financial Responsibility



Financial Responsibility
General Standards

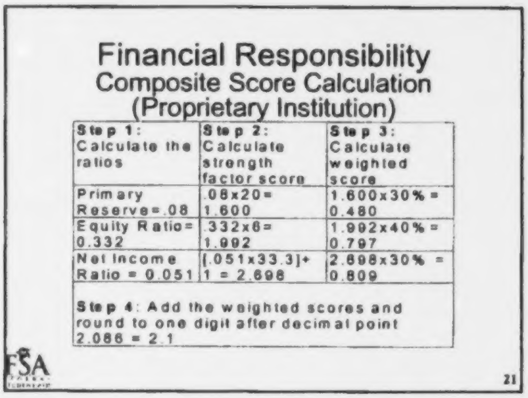
- Proprietary or Private Nonprofit Institution:
  - Composite score of at least 1.5,
  - Sufficient cash reserves to make required return of Title IV funds,
  - School is current in its debt payments, and
  - School is meeting all of its financial obligations



Financial Responsibility
General Standards

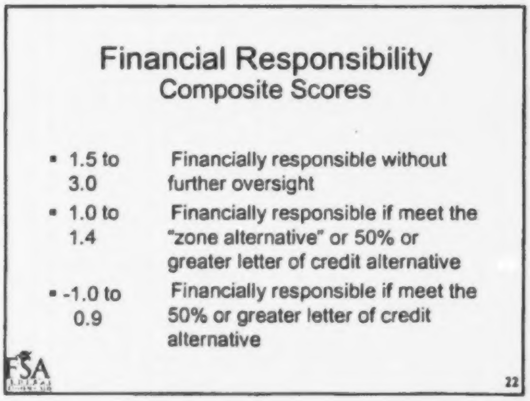
Audit opinions and past performance:

- School is not considered financially responsible if:
  - Audited financial statement expresses doubt about continued existence of school (ex: "going concern" or an adverse, qualified, or disclaimed opinion), or
  - School violated one of the past performance requirements



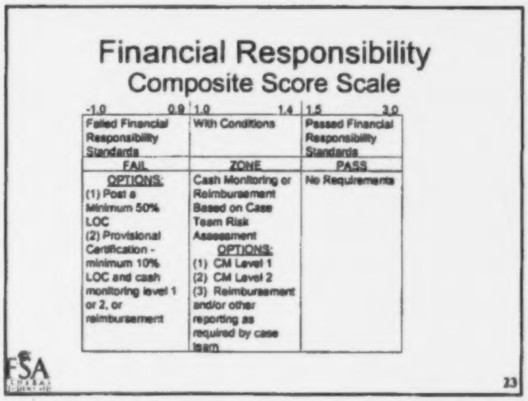
Financial Responsibility
Composite Score Calculation (Proprietary Institution)

Step 1: Calculate the ratios	**Step 2:** Calculate strength factor score	**Step 3:** Calculate weighted score
Primary Reserve=.08	.08x20= 1.600	1.600x30% = 0.480
Equity Ratio= 0.332	.332x6= 1.992	1.992x40% = 0.797
Net Income Ratio = 0.051	[.051x33.3]+ 1 = 2.698	2.698x30% = 0.809
Step 4: Add the weighted scores and round to one digit after decimal point 2.086 = 2.1		



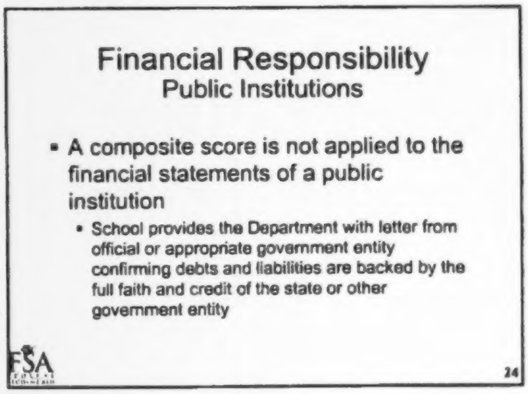
Financial Responsibility
Composite Scores

1.5 to 3.0	Financially responsible without further oversight
1.0 to 1.4	Financially responsible if meet the "zone alternative" or 50% or greater letter of credit alternative
-1.0 to 0.9	Financially responsible if meet the 50% or greater letter of credit alternative



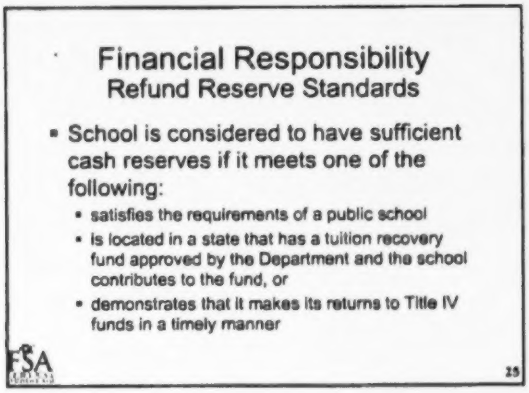
Financial Responsibility
Composite Score Scale

-1.0 0.9	1.0 1.4	1.5 3.0
Failed Financial Responsibility Standards	With Conditions	Passed Financial Responsibility Standards
FAIL	ZONE	PASS
OPTIONS: (1) Post a Minimum 50% LOC (2) Provisional Certification - minimum 10% LOC and cash monitoring level 1 or 2, or reimbursement	Cash Monitoring or Reimbursement Based on Case Team Risk Assessment OPTIONS: (1) CM Level 1 (2) CM Level 2 (3) Reimbursement and/or other reporting as required by case team	No Requirements



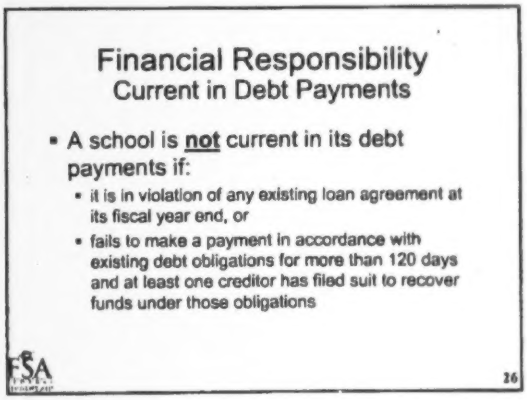
Financial Responsibility
Public Institutions

- A composite score is not applied to the financial statements of a public institution
  - School provides the Department with letter from official or appropriate government entity confirming debts and liabilities are backed by the full faith and credit of the state or other government entity



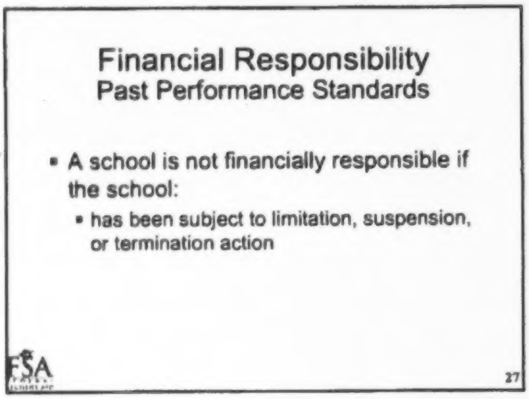
Financial Responsibility
Refund Reserve Standards

- School is considered to have sufficient cash reserves if it meets one of the following:
  - satisfies the requirements of a public school
  - is located in a state that has a tuition recovery fund approved by the Department and the school contributes to the fund, or
  - demonstrates that it makes its returns to Title IV funds in a timely manner



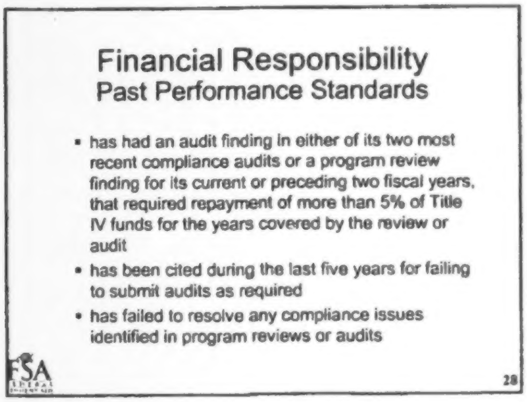
Financial Responsibility
Current in Debt Payments

- A school is not current in its debt payments if:
  - it is in violation of any existing loan agreement at its fiscal year end, or
  - fails to make a payment in accordance with existing debt obligations for more than 120 days and at least one creditor has filed suit to recover funds under those obligations



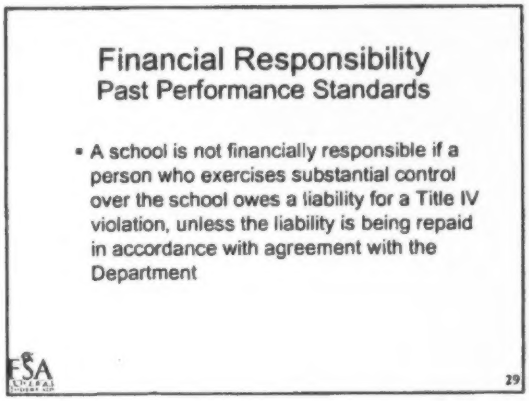
Financial Responsibility
Past Performance Standards

- A school is not financially responsible if the school:
  - has been subject to limitation, suspension, or termination action



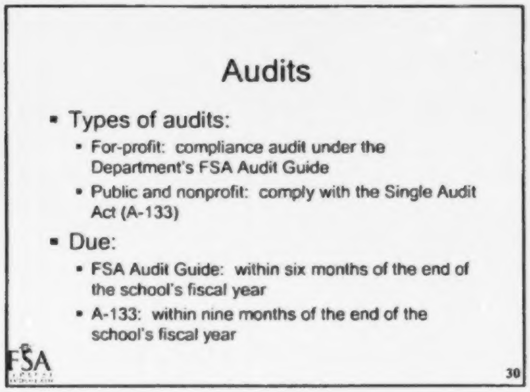
Financial Responsibility
Past Performance Standards

- has had an audit finding in either of its two most recent compliance audits or a program review finding for its current or preceding two fiscal years, that required repayment of more than 5% of Title IV funds for the years covered by the review or audit
- has been cited during the last five years for failing to submit audits as required
- has failed to resolve any compliance issues identified in program reviews or audits



Financial Responsibility
Past Performance Standards

- A school is not financially responsible if a person who exercises substantial control over the school owes a liability for a Title IV violation, unless the liability is being repaid in accordance with agreement with the Department

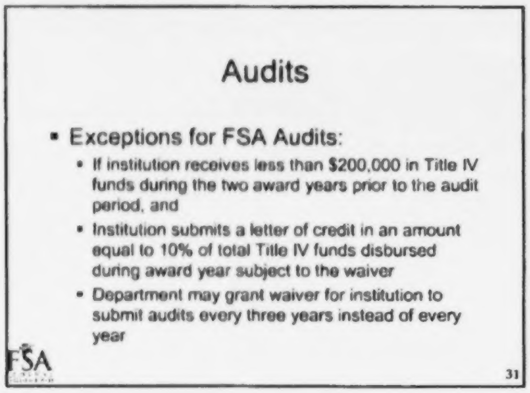


Audits

- Types of audits:
  - For-profit: compliance audit under the Department's FSA Audit Guide
  - Public and nonprofit: comply with the Single Audit Act (A-133)
- Due:
  - FSA Audit Guide: within six months of the end of the school's fiscal year
  - A-133: within nine months of the end of the school's fiscal year

FSA

30

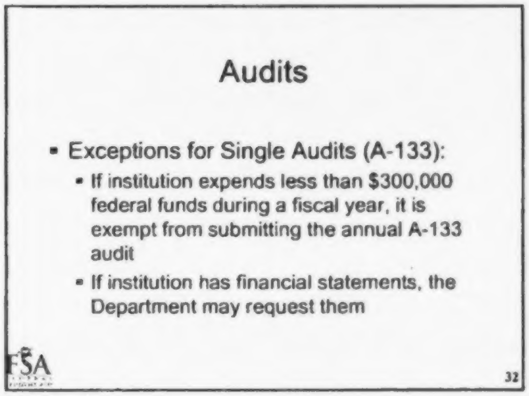


Audits

- Exceptions for FSA Audits:
  - If institution receives less than $200,000 in Title IV funds during the two award years prior to the audit period, and
  - Institution submits a letter of credit in an amount equal to 10% of total Title IV funds disbursed during award year subject to the waiver
  - Department may grant waiver for institution to submit audits every three years instead of every year

FSA

31



Audits

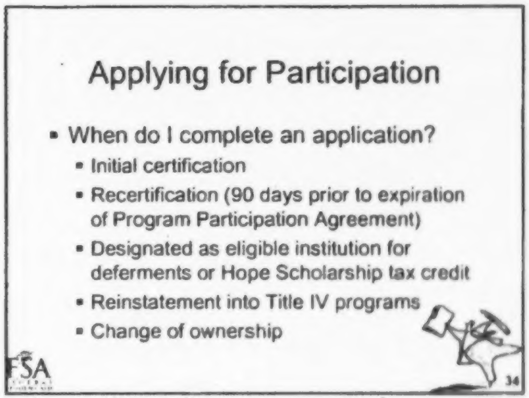
- Exceptions for Single Audits (A-133):
  - If institution expends less than $300,000 federal funds during a fiscal year, it is exempt from submitting the annual A-133 audit
  - If institution has financial statements, the Department may request them

FSA

32

Apply to Participate

33

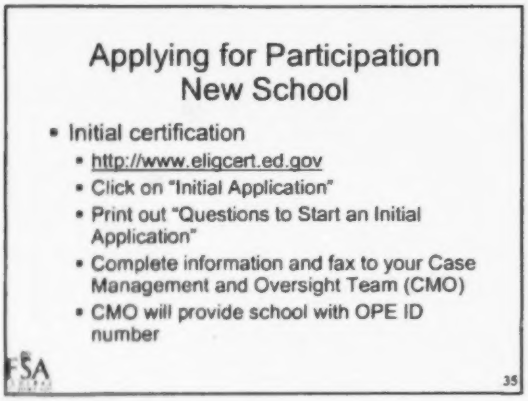


Applying for Participation

- When do I complete an application?
  - Initial certification
  - Recertification (90 days prior to expiration of Program Participation Agreement)
  - Designated as eligible institution for deferments or Hope Scholarship tax credit
  - Reinstatement into Title IV programs
  - Change of ownership

FSA

34

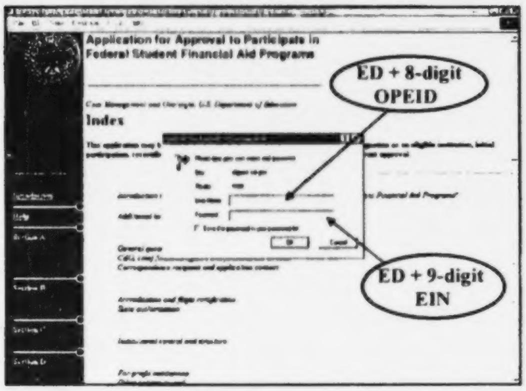


Applying for Participation New School

- Initial certification
  - http://www.eligcert.ed.gov
  - Click on "Initial Application"
  - Print out "Questions to Start an Initial Application"
  - Complete information and fax to your Case Management and Oversight Team (CMO)
  - CMO will provide school with OPE ID number

FSA

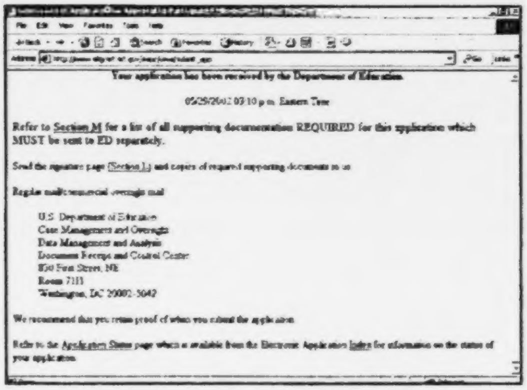
35



Application for Approval to Participate in Federal Student Financial Aid Programs

Case Management and Oversight, U.S. Department of Education

Index



Your application has been received by the Department of Education

05/29/2002 03:10 p.m. Eastern Time

Refer to Section M for a list of all supporting documentation REQUIRED for this application which MUST be sent to ED separately.

Send the signature page (Section L) and copies of required supporting documents to us

Regular mail/commercial overnight mail

U.S. Department of Education
Case Management and Oversight
Data Management and Analysis
Document Receipt and Control Center
830 First Street, NE
Room 7113
Washington, DC 20002-5042

We recommend that you retain proof of when you submit the application

Refer to the Application Status page which is available from the Electronic Application Index for information on the status of your application

Program Participation Agreement the "PPA"

- The CEO and financial aid administrator receive an e-mail directing them to the PPA/ECAR page on the EAPP web site
- School prints:
  - PPA transmittal letter
  - PPA (make 2 copies)

Program Participation Agreement the "PPA"

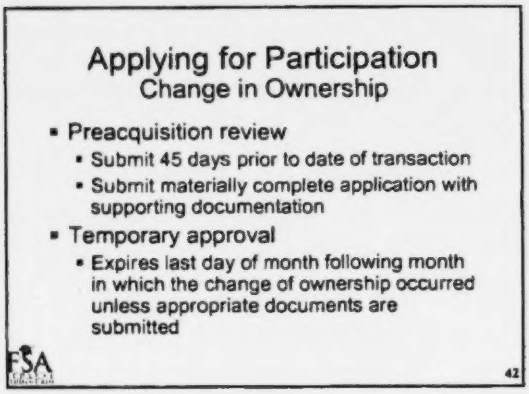
- School signs and returns BOTH copies of PPA to the Department (original signatures on both)
- Department countersigns and returns one copy to the school with the approval letter
- Effective date of participation is date the Department signs the PPA
- School prints ECAR

Applying for Participation
Change in Ownership

- What constitutes a change in ownership?
  - Sale of the school
  - Transfer of controlling interest of stock
  - Merger of two or more eligible schools
  - Division of one school into two or more schools
  - Transfer of liabilities of a school to its parent corporation
  - Conversion of school from for-profit to nonprofit

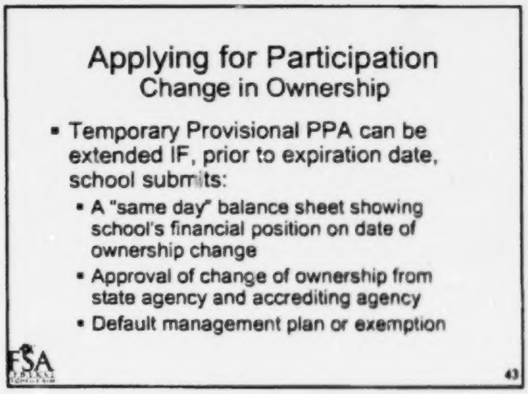
Applying for Participation
Change in Ownership

- Excluded transactions:
  - Transfer of ownership and control to:
    - **a member of the owner's family or**
  - Transfer of ownership and control upon retirement or death of owner to:
    - **a person with an ownership interest in the school who has been involved in management of the school for at least two years preceding the transfer**



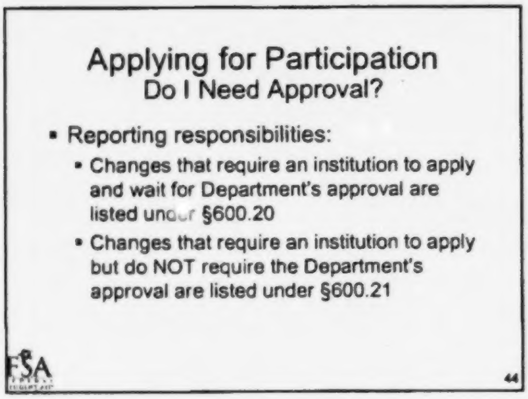
Applying for Participation
Change in Ownership

- Preacquisition review
  - Submit 45 days prior to date of transaction
  - Submit materially complete application with supporting documentation
- Temporary approval
  - Expires last day of month following month in which the change of ownership occurred unless appropriate documents are submitted



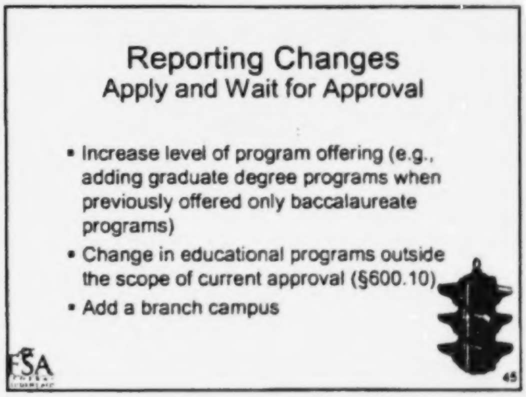
Applying for Participation
Change in Ownership

- Temporary Provisional PPA can be extended IF, prior to expiration date, school submits:
  - A "same day" balance sheet showing school's financial position on date of ownership change
  - Approval of change of ownership from state agency and accrediting agency
  - Default management plan or exemption



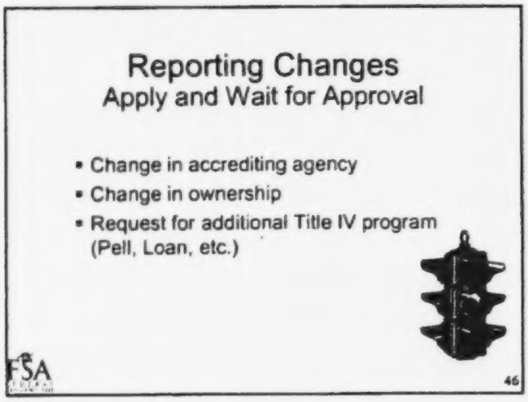
Applying for Participation
Do I Need Approval?

- Reporting responsibilities:
  - Changes that require an institution to apply and wait for Department's approval are listed under §600.20
  - Changes that require an institution to apply but do NOT require the Department's approval are listed under §600.21



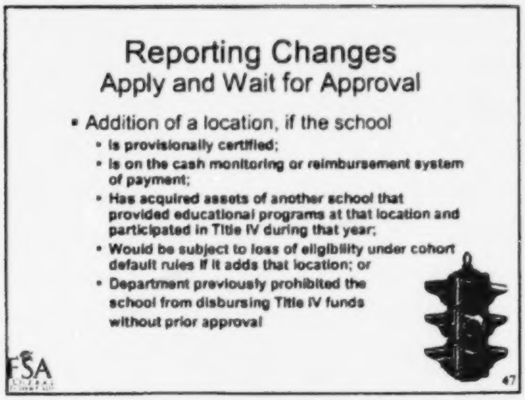
Reporting Changes
Apply and Wait for Approval

- Increase level of program offering (e.g., adding graduate degree programs when previously offered only baccalaureate programs)
- Change in educational programs outside the scope of current approval (§600.10)
- Add a branch campus



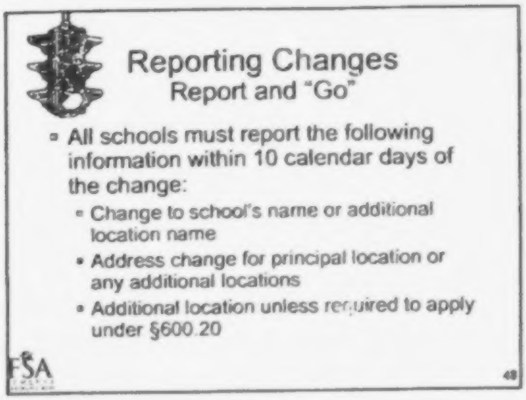
Reporting Changes
Apply and Wait for Approval

- Change in accrediting agency
- Change in ownership
- Request for additional Title IV program (Pell, Loan, etc.)



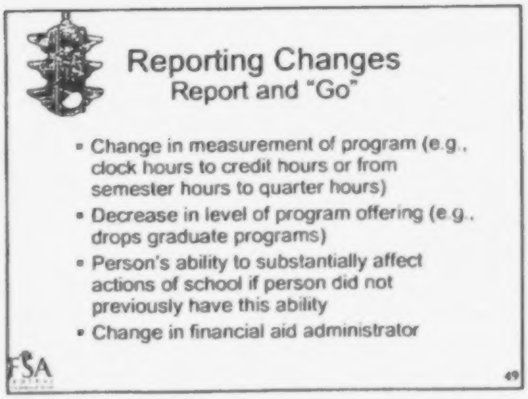
Reporting Changes
Apply and Wait for Approval

- Addition of a location, if the school
  - Is provisionally certified;
  - Is on the cash monitoring or reimbursement system of payment;
  - Has acquired assets of another school that provided educational programs at that location and participated in Title IV during that year;
  - Would be subject to loss of eligibility under cohort default rules if it adds that location; or
  - Department previously prohibited the school from disbursing Title IV funds without prior approval



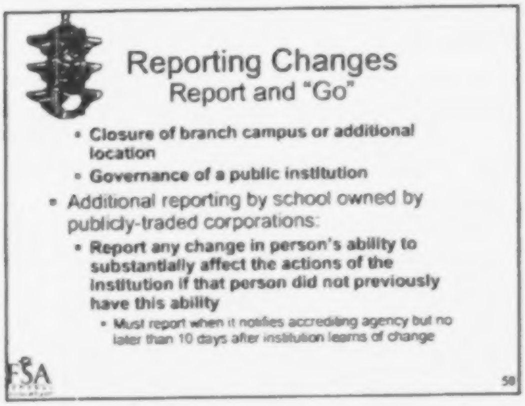
Reporting Changes
Report and "Go"

- All schools must report the following information within 10 calendar days of the change:
  - Change to school's name or additional location name
  - Address change for principal location or any additional locations
  - Additional location unless required to apply under §600.20



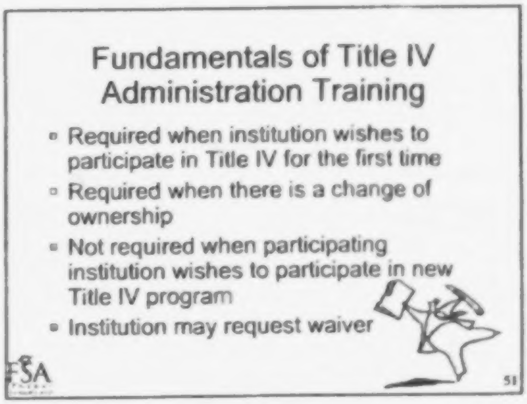
Reporting Changes
Report and "Go"

- Change in measurement of program (e.g., clock hours to credit hours or from semester hours to quarter hours)
- Decrease in level of program offering (e.g., drops graduate programs)
- Person's ability to substantially affect actions of school if person did not previously have this ability
- Change in financial aid administrator



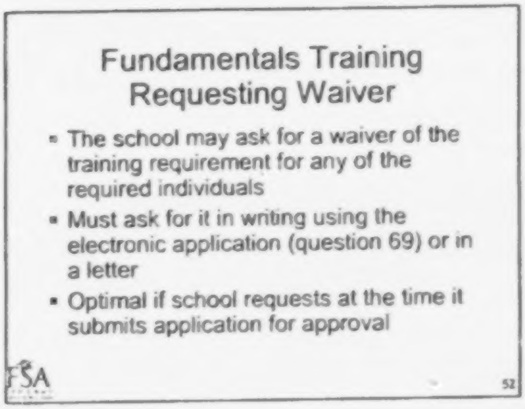
Reporting Changes
Report and "Go"

  - **Closure of branch campus or additional location**
  - **Governance of a public institution**
- Additional reporting by school owned by publicly-traded corporations:
  - **Report any change in person's ability to substantially affect the actions of the institution if that person did not previously have this ability**
    - Must report when it notifies accrediting agency but no later than 10 days after institution learns of change



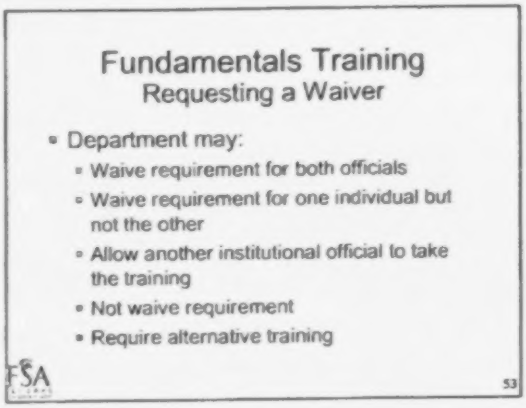
Fundamentals of Title IV Administration Training

- Required when institution wishes to participate in Title IV for the first time
- Required when there is a change of ownership
- Not required when participating institution wishes to participate in new Title IV program
- Institution may request waiver



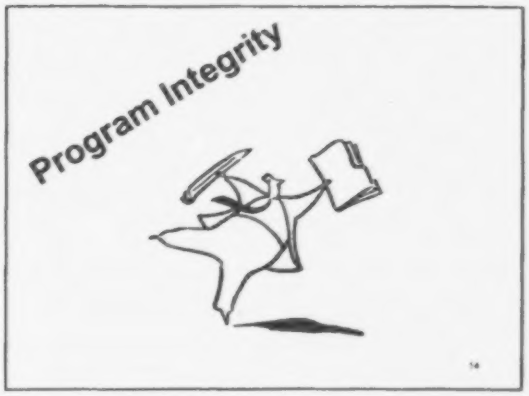
Fundamentals Training Requesting Waiver

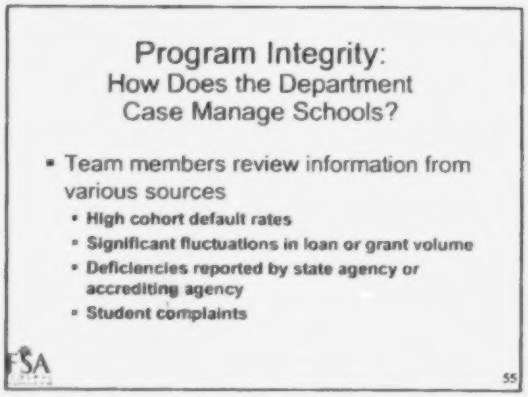
- The school may ask for a waiver of the training requirement for any of the required individuals
- Must ask for it in writing using the electronic application (question 69) or in a letter
- Optimal if school requests at the time it submits application for approval



Fundamentals Training
Requesting a Waiver

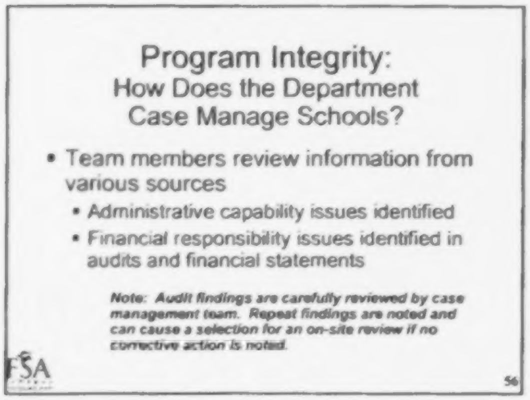
- Department may:
  - Waive requirement for both officials
  - Waive requirement for one individual but not the other
  - Allow another institutional official to take the training
  - Not waive requirement
  - Require alternative training





Program Integrity:
How Does the Department Case Manage Schools?

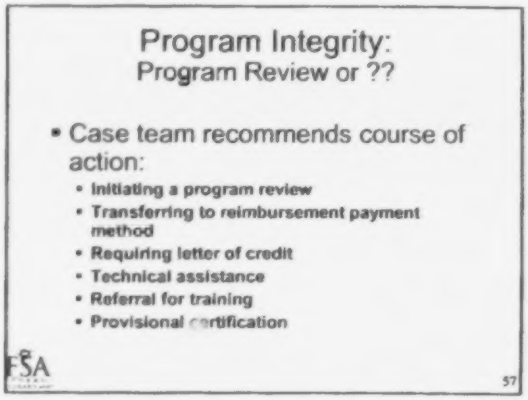
- Team members review information from various sources
  - **High cohort default rates**
  - **Significant fluctuations in loan or grant volume**
  - **Deficiencies reported by state agency or accrediting agency**
  - **Student complaints**



Program Integrity:
How Does the Department Case Manage Schools?

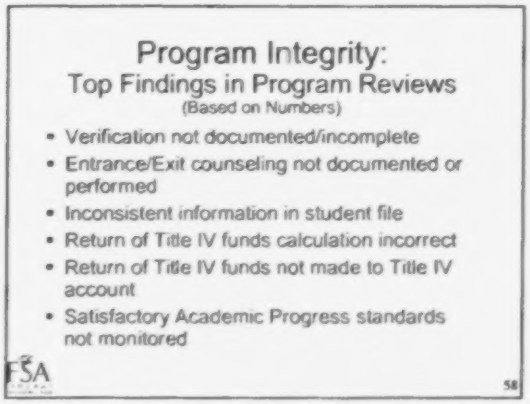
- Team members review information from various sources
  - Administrative capability issues identified
  - Financial responsibility issues identified in audits and financial statements

Note: Audit findings are carefully reviewed by case management team. Repeat findings are noted and can cause a selection for an on-site review if no corrective action is noted.



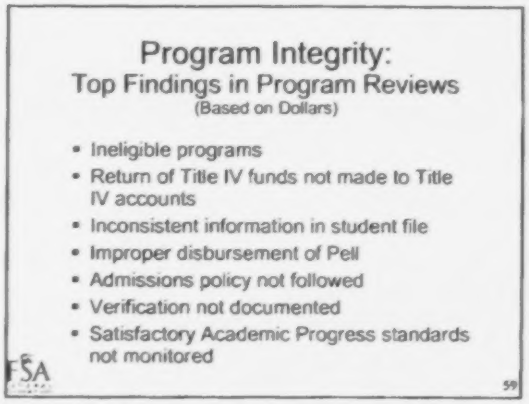
Program Integrity:
Program Review or ??

- Case team recommends course of action:
  - **Initiating a program review**
  - **Transferring to reimbursement payment method**
  - **Requiring letter of credit**
  - **Technical assistance**
  - **Referral for training**
  - **Provisional certification**



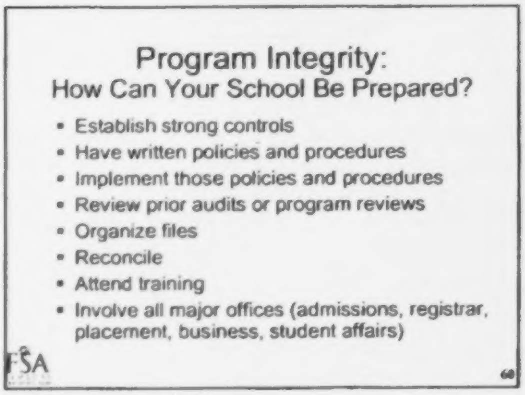
Program Integrity:
Top Findings in Program Reviews
(Based on Numbers)

- Verification not documented/incomplete
- Entrance/Exit counseling not documented or performed
- Inconsistent information in student file
- Return of Title IV funds calculation incorrect
- Return of Title IV funds not made to Title IV account
- Satisfactory Academic Progress standards not monitored



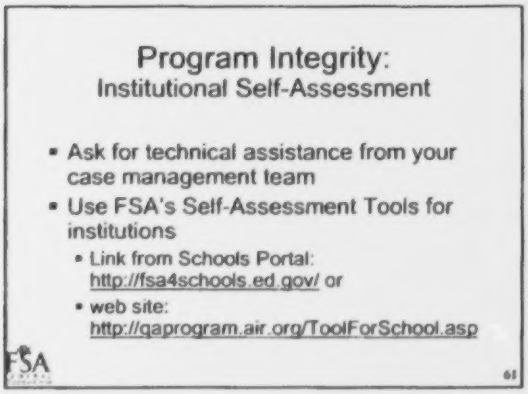
Program Integrity:
Top Findings in Program Reviews
(Based on Dollars)

- Ineligible programs
- Return of Title IV funds not made to Title IV accounts
- Inconsistent information in student file
- Improper disbursement of Pell
- Admissions policy not followed
- Verification not documented
- Satisfactory Academic Progress standards not monitored



Program Integrity:
How Can Your School Be Prepared?

- Establish strong controls
- Have written policies and procedures
- Implement those policies and procedures
- Review prior audits or program reviews
- Organize files
- Reconcile
- Attend training
- Involve all major offices (admissions, registrar, placement, business, student affairs)



Program Integrity:
Institutional Self-Assessment

- Ask for technical assistance from your case management team
- Use FSA's Self-Assessment Tools for institutions
  - Link from Schools Portal: http://fsa4schools.ed.gov/ or
  - web site: http://qaprogram.air.org/ToolForSchool.asp

Get Ready to Administer the Programs

- Develop Policies and Procedures
- Prepare for Fiscal Obligations
- Get Ready to Participate Electronically

Develop Policies & Procedures

Policy Worksheet

Ability to Benefit

Do we admit students under the Ability to Benefit criteria?
__yes __no

Do we ensure that they are beyond the age of compulsory school attendance?
__yes __no

Are we already using a test?
__yes __no

Is it approved?
__yes __no

Is our test independently administered?
__yes __no

Do we need to find a new test?
__yes __no

If so, whom do I need to consult with when I return to my campus?

____

Other issues for my school:

____

Satisfactory Academic Progress

Does my school have an SAP policy in place for our academic programs?
__yes __no

If so, does it meet all the requirements for financial aid?
__yes __no

If not, what elements do we need to change or add?

If we don't have a policy, whom on my campus do I need to work with to develop a policy?

Who will address appeals? (financial aid staff, committee, etc.)

Cost of Attendance

How will we develop our COA components? (examples: survey students, use Bureau of Labor Statistics website htttp://www.bls.gov/proghome.htm)

Do we need to consider study abroad, cooperative education, or correspondence programs?

How many programs with different tuition costs do we need to consider?

Packaging

What are the specific funds we have available for students?

Do we have a group of students that we need to give special consideration?

How will we distribute our limited funds? Who will get first consideration?

Academic Year Definition

Our programs are offered in:
ξ Credit hours with terms
ξ Clock hours
ξ Credit hours without terms

What is the minimum academic year definition for our programs?

Will we use more than the minimum?

Will we have one definition for all of our programs? __yes __no

If not, which programs need a different definition?

Will we calculate payment periods by terms or by hours and weeks?

Notes on academic year and payment periods:

Refund Policies

Do we have a refund policy developed for our school, or is one mandated by our accrediting agency or state agency? __yes __no

Does it address Title IV funds? __yes __no

Do we have procedures established for students who wish to withdraw?
__yes __no

Are all of these requirements and policies provided to students in writing?
__yes __no

Do we have some examples for students of how Title IV refunds and institutional refunds work? __yes __no

Whom do I need to work with on my campus to develop and implement these policies?

Consumer Information

On which information do we need to focus immediately?

Who will coordinate this information?

Which offices will be responsible for these requirements?

Do we need to complete reporting requirements for intercollegiate athletics?
__yes __no

What information will we need to begin tracking for reports due in the next year?

Which office(s) will be responsible for this? ____________________

Verification

What deadline will we give students for submitting verification documentation?

What will be the consequence for failure to meet the deadline?

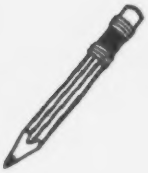
How will we notify students of changes to their awards?

What process will we use for corrections?

Campus-Based Program Issues

How will we define *exceptional need* for Perkins?

Other Campus-Based Program issues:



FFEL/DL Programs

How will we do loan counseling? ____electronic methods
____ in person

What resources are available to help us with this?

____

Other loan issues:

____

Professional Judgment

Will we consider professional judgment issues? __yes __no

Who will address these issues? __individual __committee

Who will be on the committee?

____

Other policies to consider:

____

____

91

Satisfactory Academic Progress Policy Issues

Class Completion Issues

Example 1:
Excluding "F" grades

A policy might read:
The following will be considered as hours attempted, but the following will not be considered as successfully completed credits:

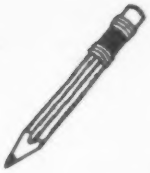
'F': failing grades
'I': incompletes
'W': withdrawals
'U': unofficial withdrawals

Example 2:
Including course repetitions in the time frame and the GPA calculation.

A policy might read:
"When a student receives a passing grade in a course and subsequently repeats the course, the hours earned in both will count in the calculation of hours earned; all grades received for the courses will be included in calculating the GPA."

Note
Schools can decide how to handle grades from repeated courses. They may take the higher grade, average the grades, or use both grades.

SAMPLE POLICY



Satisfactory Academic Progress (SAP) Birmington College Programs Offered without Terms

To be making satisfactory academic progress toward a degree or certificate, student must maintain specified grade averages and proceed through the program at a pace leading to completion within a specified time frame. Satisfactory academic progress will be measured every 4.5 months (or every 18 weeks).

Required Grade Averages

At the end of each increment, the cumulative grade average will be determined and documented in each student's official record. Students achieving the averages specified in the chart below will be considered to be making satisfactory academic progress:

After this number of months	4.5	9	13.5	18
Students must have at least this cumulative grade average	60%	65%	70%	70%

Required Completion Rate

In addition to the cumulative grade average listed above, students must also be progressing toward successful completion of the program within a maximum time frame. Students in this program must contract for 25 hours per week and must successfully complete the program with 18 months at the following rate:

After this number of months	4.5	9	13.5	18
Students must have completed at least this number of clock hours	300	600	900	1,200

Probation and Reinstatement Procedures

In the event that a student fails to meet any of the above criteria for a specified period (every 4.5 months), the student will be placed on probation for one period. A student in this category may receive financial aid for the following probation period. However, by the end of the probation period, the student must meet the stated minimum grade and completion requirements as defined on the school's completion chart in order to receive additional financial aid.

If a student fails to meet one or more of the requirements by the end of the probation period, the student will no longer be making satisfactory academic progress and will be ineligible for federal financial aid.

Students terminated from receiving financial aid can reestablish eligibility by successfully completing the required number of hours and by attaining the overall required cumulative grade average by the end of the next period. Withdrawal from school has no effect on the student's satisfactory academic progress upon reentering.

All grades are given in numeric averages. The lowest grade average to pass a class is 60. Hours completed below this minimum average will not be considered successfully completed. However, a student must achieve a cumulative grade average of at least 70 in order to graduate.

Appeal Procedures

If a student is found to be ineligible for federal financial aid because satisfactory academic progress requirements were not met, the student may appeal this decision to the school's Director of Financial Aid by stating, in writing, the reasons why the minimum requirements were not met and why financial aid should not be terminated.

The Director of Financial Aid will review the appeal and determine whether suspending financial aid is justified. The student will be advised, in writing, of the decision.

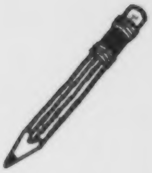
Appeal Policy

On written appeal by a student, failure to meet one or more satisfactory academic progress requirements will be evaluated by the financial aid administrator. A student will be notified of the decision within two weeks of the financial aid office receiving the written appeal request. The following types of information may be considered in determining if a student is still maintaining satisfactory academic progress:

1. Unusual circumstances, such as extended illness;
2. Participation in campus tutoring or support services;
3. Class attendance and completion of assignments; and
4. Changes in educational objective.

If students are terminated from receiving financial aid for failure to maintain satisfactory academic progress, they must meet all requirements for minimum overall grade and cumulative credits earned for their academic level before eligibility for aid can be reinstated. Periods of non-enrollment in school have no effect on a student's satisfactory academic progress status on reentering.

Academic Probation Policy



Example 1:
One-Academic-Year Probation

Students who fail to meet one or more of the satisfactory academic progress minimum requirements will be placed on satisfactory progress probation for one academic year. During that academic year, students must meet the stated minimum grade requirements and complete enough work to meet the cumulative amount of work for that academic year as defined by the school's credit-completion chart. The second time students fail to meet one or more requirements, they will no longer be making satisfactory academic progress and will be ineligible for financial aid for the following academic year.

Example 2:
One-Month Probation

Full-time students whose satisfactory completion rate falls below an average of 120 clock hours per month will be placed on probation for one month. During this time, students must complete enough clock hours to raise their average back up to 120 clock hours. Failure to raise their average within that month means students are not maintaining satisfactory academic progress, and they are ineligible for financial aid until that average is raised to the required minimum.

Case Study

Using the sample policy for Birmington College, answer the following questions.

1. After attending classes for nine months, Howard completed 550 hours and had a cumulative grade average of 69.9. Is Howard making satisfactory academic progress?

2. Can Howard continue to receive financial aid?

3. What would happen if Howard failed to meet SAP standards at the end of the 4.5 month probation period?

4. If this were to happen, what could Howard do?

Determining COA Component Costs

Component	Suggested Source
Tuition and Fees	School business office School catalog statement on fees and equipment for specific programs
Books and Supplies	Staff at the campus bookstore and other local bookstores School catalog statements on supplies needed for specific programs Internet sources
Room and Board	Campus survey of student housing and food costs School housing office, fraternities, and sororities School food-service staff "Market basket" priced at local grocery stores Newspaper ads and rental agency listings for apartments, houses to share Professional association research on expenses Data from nearby schools Cost data from financial aid service agencies such as American College Testing (ACT) and College Scholarship Service (CSS) U.S. Bureau of Labor Statistics (BLS) data Cost data from state FSA agencies, guaranty agencies, accrediting agencies, and local and state government agencies
Transportation	Travel to student's home: airline, train, and bus companies; travel agents; Internet sources Local transportation: fare schedules of public transit agencies; IRS mileage allowance; your school's mileage allowance for employee travel
Miscellaneous	Student expense survey Student expense diaries Professional association research on expenses Data from nearby schools
Student Loan Fees	Student loan office (in some large schools) Financial aid office records on loan amounts Loan providers (whether federal, state, or private) that furnish information on loans and loan fees to the financial aid office (by direct mailings, web pages)
Study Abroad	Foreign study office at the school Travel agents Exchange-program partner schools Student expense survey Student expense diary
CO-OP	Documentation from co-op program directors Data from nearby schools
Dependent Child Care	Public or private off-campus care facilities School's schedule of fees for on-campus child care Local social service agencies and child-care services Student records of expenses incurred
Expenses for Student w/Disabilities	State vocational/rehabilitation agencies Student records of expenses incurred

Special COA Rules

Generally, the student's COA is based on costs for the actual period of enrollment (including periods more or less than 9 months) and it applies to all title IV programs. However, in the case of the Federal Pell Grant Program, costs are always prorated to the costs of a full-time student for a full academic year.

In certain cases, the components included in the COA are limited by the student's status.

Cost of Attendance Component	Applies to less-than-half-time enrollment?	Applies to *correspondence courses?	Applies to incarcerated students?
Tuition and Fees	Yes	*Yes*	Yes
Books and Supplies	*Yes*	*	Yes
Room and Board	No	*	No
Transportation	Yes	*	No
Misc./Personal	No	No	No
Dependent Child Care	Yes	No	No

*May include other costs actually incurred

BEST COPY AVAILABLE

2003-2004 Cost of Attendance (COA) Worksheet – Program

________________________________ Program

COA Component	✓	On Campus	✓	Off Campus with Parent	✓	Off-Campus
Tuition and Fees In State						
Tuition and Fees Out of State						
Books and Supplies						
Room and Board						
Transportation Local						
Transportation Out of State						
Miscellaneous						
Subtotal						
Computer						
Student Loan Fees						
Study Abroad						
CO-OP						
Other Special Program Fees						
Subtotal						
Dependent Child Care Per Dependent						
*Expenses for Students w/Disabilities *On a case-by-case basis						
TOTAL						

Prepare for Fiscal Obligations

GAPS

BASIC STEPS

1. Establish Federal Cash Account at bank for receiving FSA funds.
2. Make sure you have a DUNS number (Dun and Bradstreet Data Universal Numbering System) assigned to your institution. (Call 1-800-333-0505 to obtain one.)
3. Make sure you have been assigned a Grant Award Number for a Title IV program.
4. Set up bank account information and enroll in ACH. Complete Direct Deposit Sign-up Form (SF-1199A) or FEDWIRE Sign-up Form). Send with copy of grant award document, cover letter on letterhead stationary, requesting new bank account (or changes) be established. Must have DUNS number on letter.

   (SF-1199A is available at your bank or at: http://www.fms.treas.gov/eft/1199a.pdf.)

   (Cover letter is available under "Downloads" at: http://e-grants.ed.gov/gapsweb/epHome.asp.)
5. Complete a GAPS External Security Access Form.

   (Available under "Downloads" at: http://e-grants.ed.gov/gapsweb/epHome.asp)
6. Obtain a GAPS User ID and Password. (Received via mail from ED.)

GAPS ASSISTANCE

GAPS Web Site: (e-Payments Home Page)	http://e-grants.ed.gov Hours of Operation: 6:00 a.m. – 12 a.m. ET (M-F, except Federal holidays)
GAPS Help Desk	1-888-336-8930 Hours of Operations: 8:00 a.m. – 6:00 p.m. ET (M-F, except Federal holidays) E-mail: EDCAPS_USER@ed.gov
GAPS User Guide	Must have GAPS User ID and Password to access.
GAPS User ID and Password	Download forms from the http://e-Payments.ed.gov download page. Request External Security Access form and fax completed copy to 202-401-0006
GAPS ListServ	Subscribe: Send message to listproc@inet.ed.gov. SUBSCRIBE GAPSWEBLIST Your Name Provides opportunity to share questions and answers with other users and GAPS technical assistance staff.
GAPS FAQs	Provides Q&A on the following topics: General Information Adjustments Reporting to ED Training/Communication EIN/DUNS Questions User's Guide Questions Drawdown Procedures Refund Procedures Accessing GAPS Contacts Technical Questions

Get Ready to Participate Electronically

1. **Get acquainted with http://fsa4schools.ed.gov.**
2. **Learn how to use Information for Financial Aid Professionals (IFAP) to find information you need.**
3. **Be sure your computer equipment and software meet Department of Education requirements.**
4. **Obtain free software from ED or purchase from vendors.**
5. **Enroll in Student Aid Internet Gateway to transmit and receive files to/from ED.**
6. **Study FSA Coach modules.**
7. **Join professional associations to keep updated and in touch with others with similar concerns.**

FSA Schools Portal

http://fsa4schools.ed.gov

The Portals home page is your gateway to all financial aid related sites from the Department of Education. Make this page your start page and from here you can customize every link you want. There is easy access to IFAP, publications, training events, and more!

Information for Financial Aid Professionals

http://ifap.ed.gov

IFAP, "Information for Financial Aid Professionals," is the primary point of contact on the web for Financial Aid Administrators and other professionals dealing with Title IV assistance. All FSA publications — regulations, handbooks, Dear Colleague/Partner Letters, announcements, and Federal Registers are posted here. IFAP also contains links to other Department of Education web sites useful to financial aid professionals.

Get Acquainted with http://fsa4schools.ed.gov

Find the following Dear Colleague/Partner letters, Electronic Announcements and links. They contain valuable information to help you get started. (Hint: Dear Colleague/Partner letters and Electronic Announcements are found on the IFAP link from http://fsa4schools.ed.gov.)

1. GEN-00-20
What is the topic of this letter?

____

Scroll down and look at the letter. What is the minimum operating system you are required to have as of January 1, 2002?

____

Are you required to have an Internet service provider? ____________________

⌚ Note to yourself: I should share this letter with:

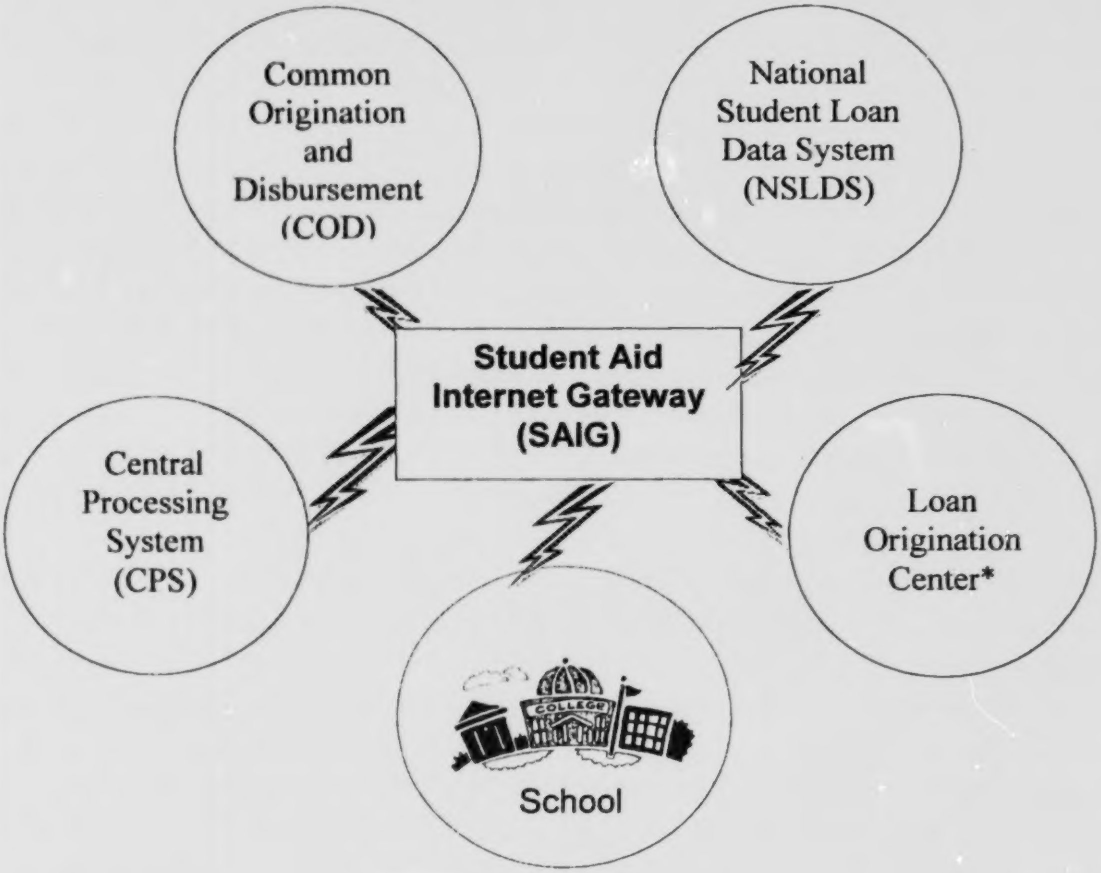
____

2. GEN-01-01
The Student Aid Internet Gateway (SAIG) is the U.S. Department of Education's (ED's) vehicle for electronically transmitting and receiving data on financial aid programs. Each participating school is required to enroll and have a mailbox on the SAIG. A school may choose to have several mailboxes to give access to different people. This is a school decision, and there is a charge for each mailbox. Please look at the diagram on page 19 to give you more information about the SAIG.

Looking at GEN-01-01 - How do you enroll?

____

Student Aid Internet Gateway Destination Points


Common Origination and Disbursement (COD)
National Student Loan Data System (NSLDS)
Student Aid Internet Gateway (SAIG)
Central Processing System (CPS)
Loan Origination Center*
COLLEGE
School

FYI:
Schools use the Internet and their Internet Service Provider to transmit and receive data to/from ED. You must enroll in the SAIG and use EDconnect software. (Prior to the SAIG, schools used a private network called the Title IV WAN.)

*Scheduled to be eliminated September 30, 2003.

BEST COPY AVAILABLE

3. **Find an Electronic Announcement dated June 3, 2002.** This announcement contains information about accessing the COD web site. How do you request access for your school's security administrator?

4. **Find the most current copy of The Blue Book.** Where did you find it? What is the date it was published? What is the Blue Book used for?

5. **How will you ever be able to keep up with all of this information?**
ANSWER: Subscribe to a mailing list that will forward to you everything that has been posted to IFAP in the past week – or in the past 48 hours.... You choose.

Big Time Saver

First, you must register for access to Member Services – *do that now!*

- Click on the Member Services tab on the IFAP page.
- Click on Register Now.
- Complete the registration form.

You will receive a password at your e-mail address within 48 hours. This will allow you to subscribe to a **free** service that will automatically send you a notice when something is posted to IFAP. You get to choose the categories in which you're interested. Hint: The Weekly Summary sends it all!

6. Find detailed instructions for completing the FAFSA. The instructions are in a publication called "Completing the FAFSA." This will be a great job aid for you. When you return to your office, print it out and keep it handy to help answer those tough questions about the FAFSA information and provide online instructions for completing the FAFSA. How did you find it?

____

7. Find the site where you will update your Program Participation Agreement. How did you get there?

____

8. Where would you go to order 1,000 FAFSAs?

____

9. Look on the FSA Portal page and click on Training. What is FSA Coach? How much does it cost?

____

10. While on the FSA Training page, find the place where you can view archived video broadcasts. ED provides training in this format several times a year --you may watch the live videoconference from your own desk! If you miss the live broadcast, come here to watch it later.

____

11. Where would you go to download EDExpress Software? EDExpress is free software provided by ED to help schools administer the Title IV Programs.
Hint: While you're there, look at all of the other software ED provides. You'll especially enjoy the Return to Title IV Funds software. Just ask your Business Office and/or Financial Aid Office how helpful it will be in calculating returns due back to the Title IV Programs as the result of a student withdrawing from school!

12. Find the link to the Quality Assurance Program. Look at the FSA Assessment Tools under "Tools for Schools." What are these assessments? How many categories do they fall into and what are they?

13. Find the link to the National Student Loan Data System and try to register so that you can use it. (NSLDS contains information on the financial aid that individual students have received.) You need to be able to access it online to make changes and additions to certain items as well as to view the information. What do you need to do in order to access this site?

14. Find the calendar on fsa4schools portal page. Look at the calendar for two months from now. Are there any deadlines this month? If so, what are they? Remember this site to help create "tickler files" for deadlines you need to respond to.

15. From the fsa4schools portal page, click on "Other Links." Look for the links to state, regional, and the national financial aid associations. Joining and participating in these organizations is an excellent way to meet and work with other professionals in your area. Is there a state association web site for your state? What regional association does your state belong to?

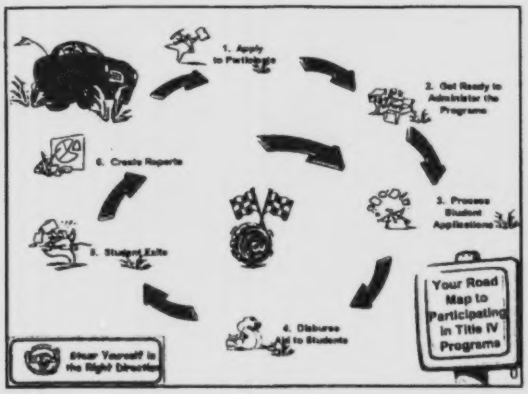
🕘If you wish to participate in the Finaid-L listserve this is how you contact them. Please do this when you return to your office, not from these computers. Please remember that this is NOT a Department of Education listserve. The Department of Education does not sanction policy interpretations posted there. However, it is a great way to communicate with your colleagues all over the country.

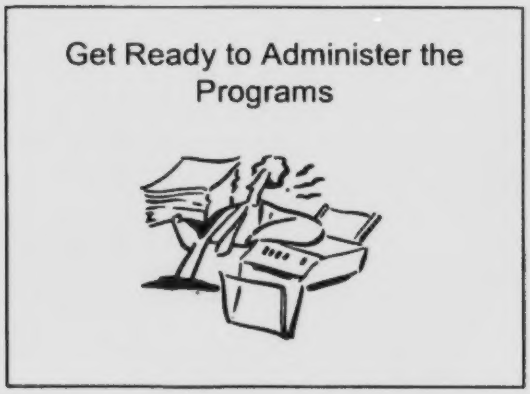
Address a single line-of-text e-mail to: LISTSERV@LISTS.PSU.EDU

SUBSCRIBE FINAID-L - YOUR NAME

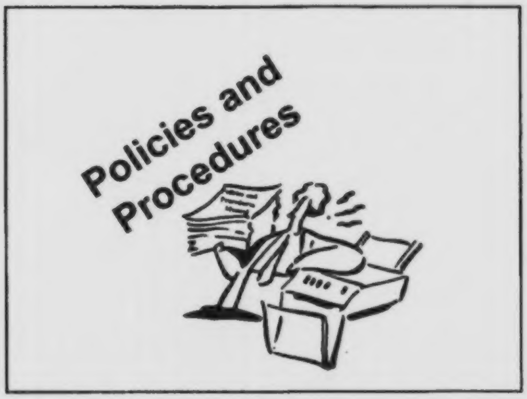
Enroll in SAIG

Step	Action
1	Access SAIG at http://fsawebenroll.ed.gov.
2	Click the **Enroll** icon located in the middle of the Home Page, then click **Next**.
3	Click on the dot to the left of **Submit an Initial Application**, then click **Next**.
4	On the Step 1 page, select **Yes** from the drop-down arrow (since no financial aid officer of your organization is currently enrolled with SAIG), then click **Next**.
5	Complete the Demographic Information Page. When you are asked, "**Please indicate your type of organization**," select **Post Secondary School** from the pull-down menu.
6	Click on **Yes** for the services or application systems that this TG number will participate in. This will take you to the screens affiliated with options for services. Once you have entered the information for a particular screen, click **Next** to move to the next screen.
7	On the Reference Page, verify that the information you have entered is correct.
8	Print out the **Signature Pages** so that you can mail them in to CPS/WAN Technical Support. You will not receive a TG number until they have been processed.
9	Print out the **Confirmation Number** for your own records. Note: You will be asked for that number when you call CPS/WAN Technical Support with questions concerning your enrollment.

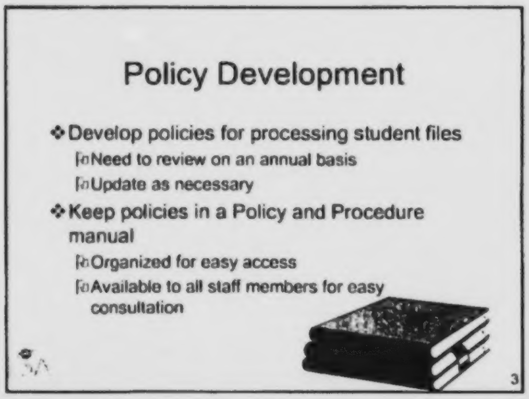

1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Direction



Get Ready to Administer the Programs

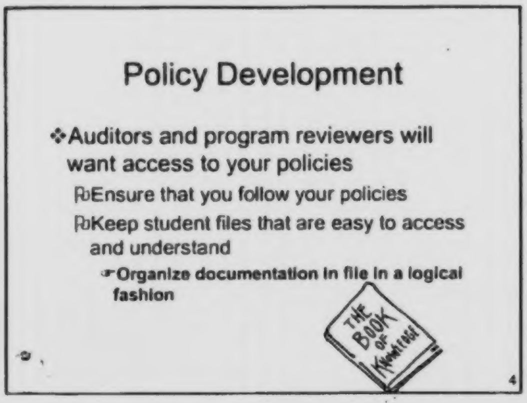


Policies and Procedures



Policy Development

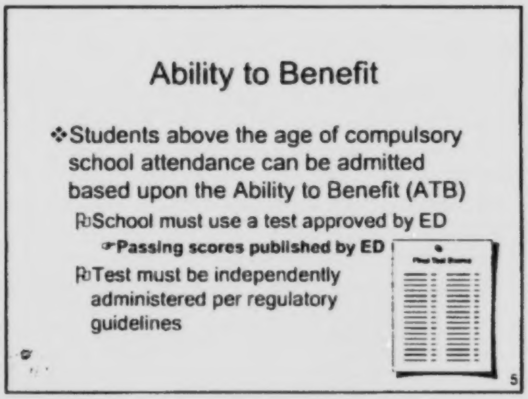
- Develop policies for processing student files
  - Need to review on an annual basis
  - Update as necessary
- Keep policies in a Policy and Procedure manual
  - Organized for easy access
  - Available to all staff members for easy consultation



Policy Development

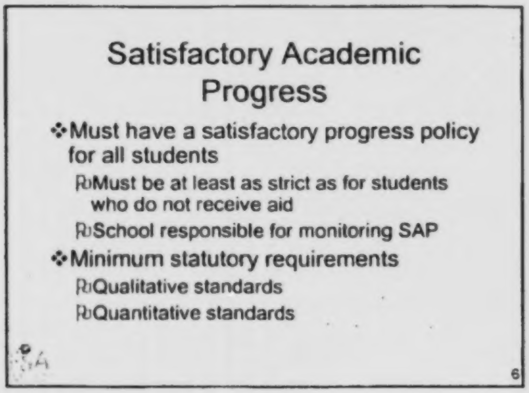
- Auditors and program reviewers will want access to your policies
  - Ensure that you follow your policies
  - Keep student files that are easy to access and understand
    - ☞ **Organize documentation in file in a logical fashion**

THE BOOK OF Knowledge



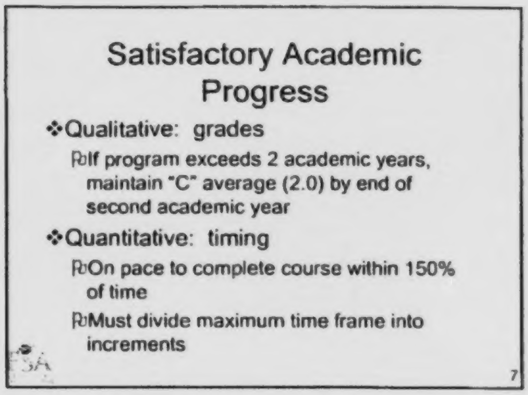
Ability to Benefit

- Students above the age of compulsory school attendance can be admitted based upon the Ability to Benefit (ATB)
  - School must use a test approved by ED
    - ☞ **Passing scores published by ED**
  - Test must be independently administered per regulatory guidelines



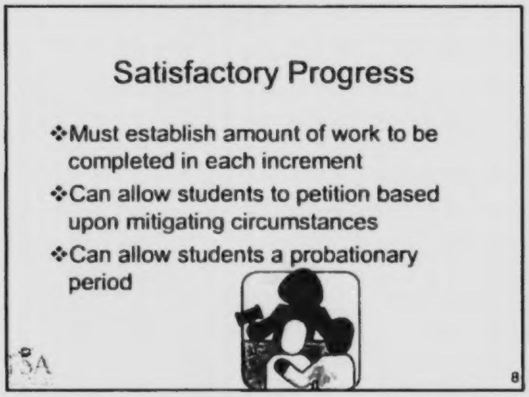
Satisfactory Academic Progress

- Must have a satisfactory progress policy for all students
  - Must be at least as strict as for students who do not receive aid
  - School responsible for monitoring SAP
- Minimum statutory requirements
  - Qualitative standards
  - Quantitative standards



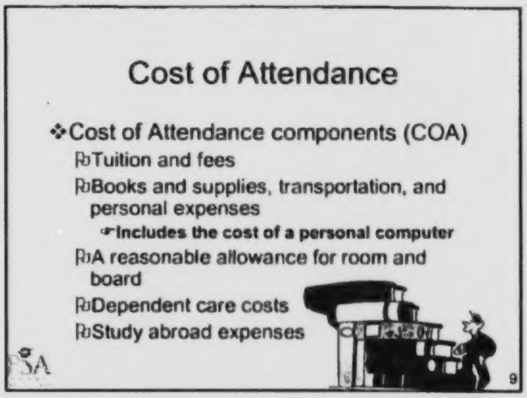
Satisfactory Academic Progress

- Qualitative: grades
  - If program exceeds 2 academic years, maintain "C" average (2.0) by end of second academic year
- Quantitative: timing
  - On pace to complete course within 150% of time
  - Must divide maximum time frame into increments



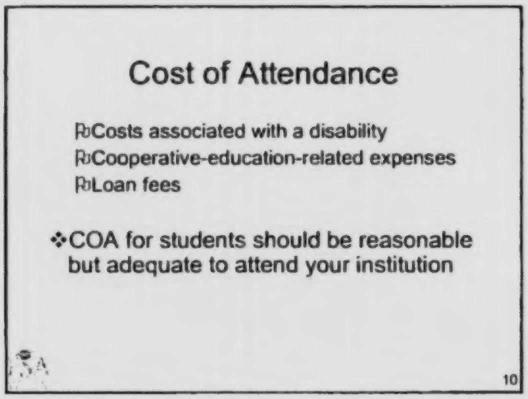
Satisfactory Progress

- Must establish amount of work to be completed in each increment
- Can allow students to petition based upon mitigating circumstances
- Can allow students a probationary period



Cost of Attendance

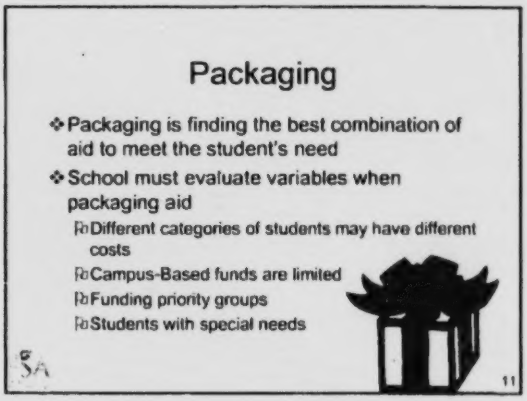
- Cost of Attendance components (COA)
  - Tuition and fees
  - Books and supplies, transportation, and personal expenses
    - **Includes the cost of a personal computer**
  - A reasonable allowance for room and board
  - Dependent care costs
  - Study abroad expenses



Cost of Attendance

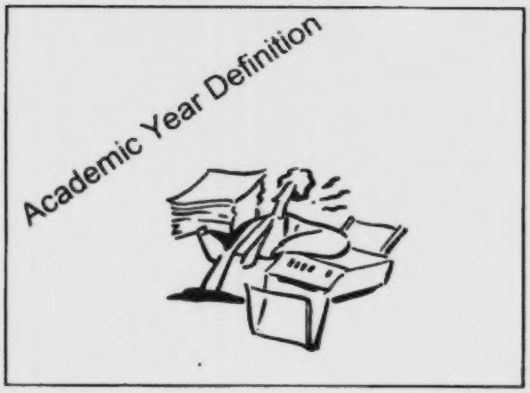
- Costs associated with a disability
- Cooperative-education-related expenses
- Loan fees

- COA for students should be reasonable but adequate to attend your institution

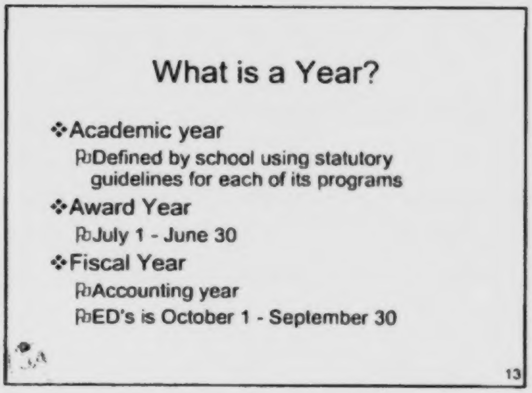


Packaging

- Packaging is finding the best combination of aid to meet the student's need
- School must evaluate variables when packaging aid
  - Different categories of students may have different costs
  - Campus-Based funds are limited
  - Funding priority groups
  - Students with special needs

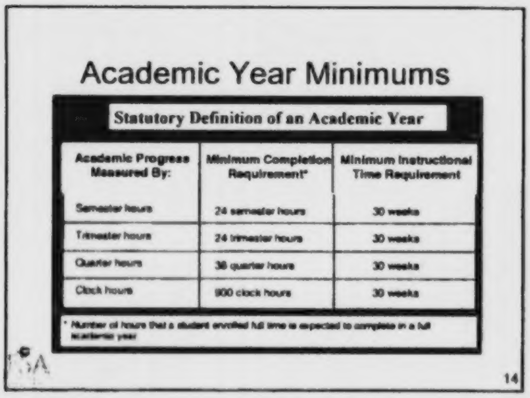


Academic Year Definition



What is a Year?

- ❖Academic year
  - Defined by school using statutory guidelines for each of its programs
- ❖Award Year
  - July 1 - June 30
- ❖Fiscal Year
  - Accounting year
  - ED's is October 1 - September 30

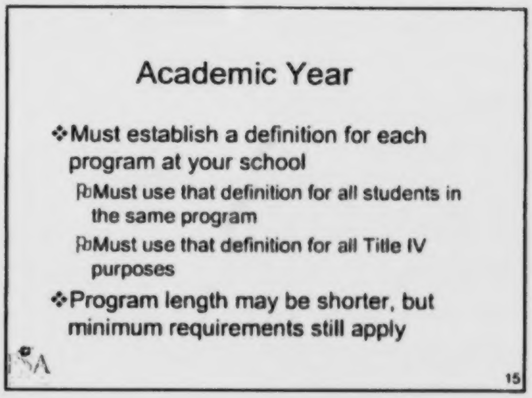


Academic Year Minimums

Statutory Definition of an Academic Year

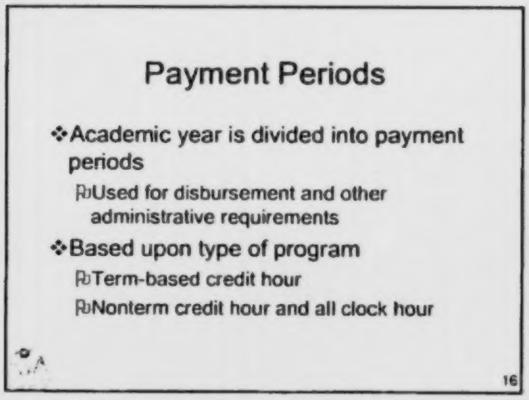
Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year



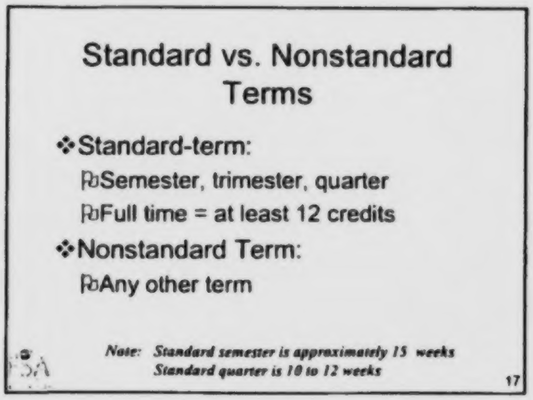
Academic Year

- ❖Must establish a definition for each program at your school
  - Must use that definition for all students in the same program
  - Must use that definition for all Title IV purposes
- ❖Program length may be shorter, but minimum requirements still apply



Payment Periods

- ❖Academic year is divided into payment periods
  - Used for disbursement and other administrative requirements
- ❖Based upon type of program
  - Term-based credit hour
  - Nonterm credit hour and all clock hour

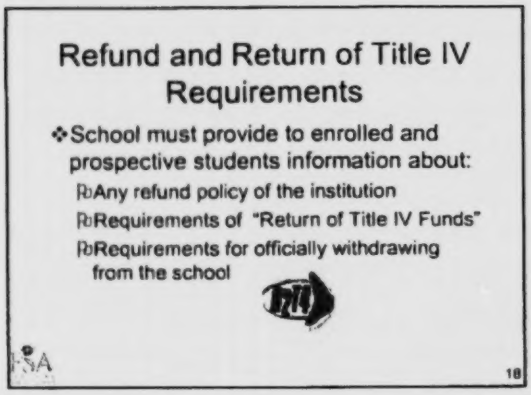


Standard vs. Nonstandard Terms

- ❖Standard-term:
  - Semester, trimester, quarter
  - Full time = at least 12 credits
- ❖Nonstandard Term:
  - Any other term

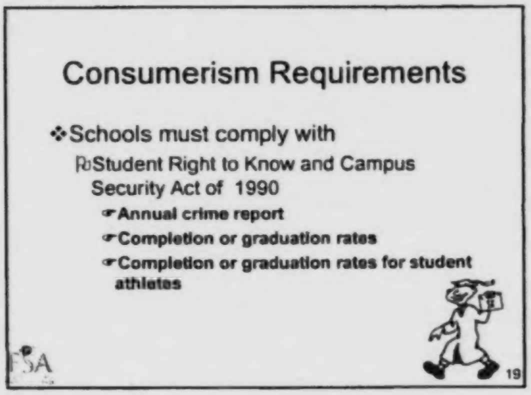
Note:* *Standard semester is approximately 15 weeks
Standard quarter is 10 to 12 weeks

BEST COPY AVAILABLE



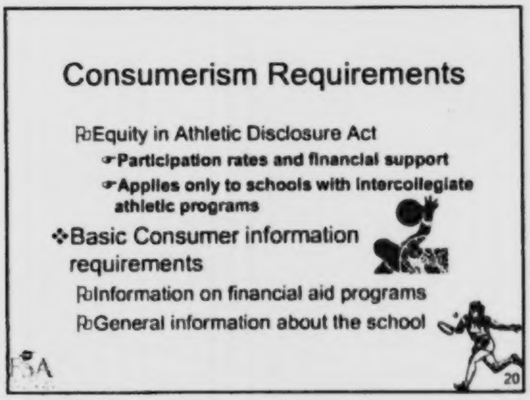
Refund and Return of Title IV Requirements

- School must provide to enrolled and prospective students information about:
  - Any refund policy of the institution
  - Requirements of "Return of Title IV Funds"
  - Requirements for officially withdrawing from the school



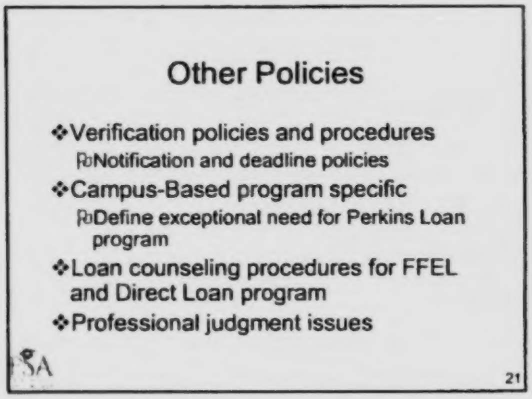
Consumerism Requirements

- Schools must comply with
  - Student Right to Know and Campus Security Act of 1990
    - **Annual crime report**
    - **Completion or graduation rates**
    - **Completion or graduation rates for student athletes**



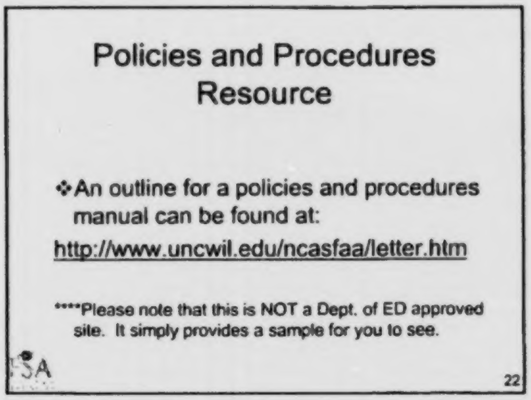
Consumerism Requirements

  - Equity in Athletic Disclosure Act
    - **Participation rates and financial support**
    - **Applies only to schools with intercollegiate athletic programs**
- Basic Consumer information requirements
  - Information on financial aid programs
  - General information about the school



Other Policies

- Verification policies and procedures
  - Notification and deadline policies
- Campus-Based program specific
  - Define exceptional need for Perkins Loan program
- Loan counseling procedures for FFEL and Direct Loan program
- Professional judgment issues

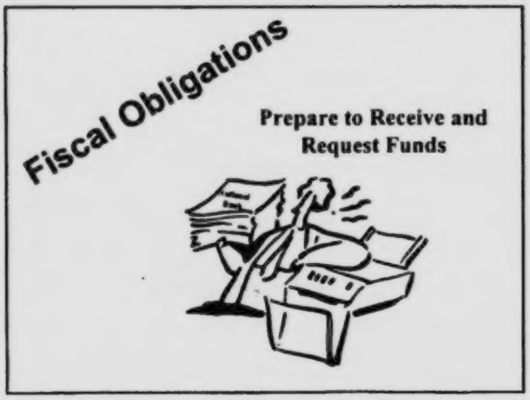


Policies and Procedures Resource

- An outline for a policies and procedures manual can be found at:

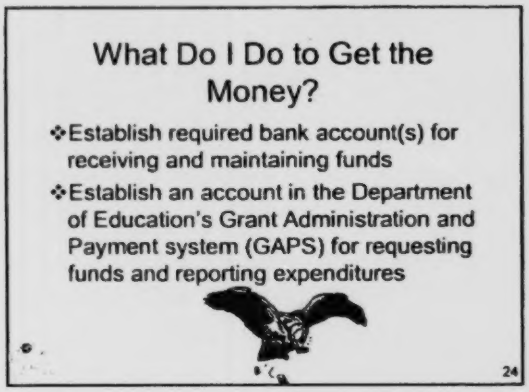
http://www.uncwil.edu/ncasfaa/letter.htm

****Please note that this is NOT a Dept. of ED approved site. It simply provides a sample for you to see.



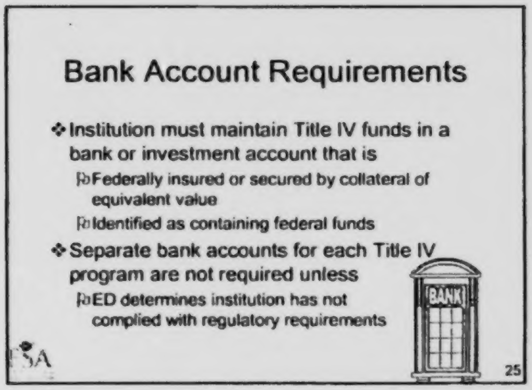
Fiscal Obligations

Prepare to Receive and Request Funds



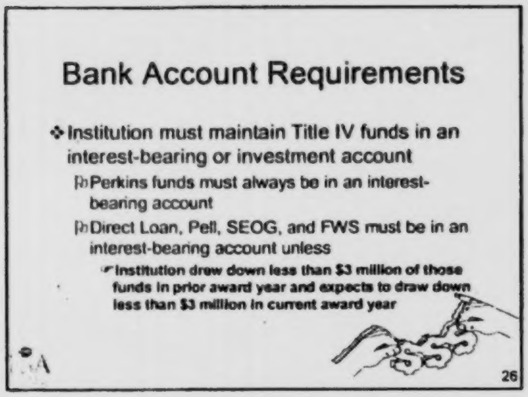
What Do I Do to Get the Money?

- Establish required bank account(s) for receiving and maintaining funds
- Establish an account in the Department of Education's Grant Administration and Payment system (GAPS) for requesting funds and reporting expenditures



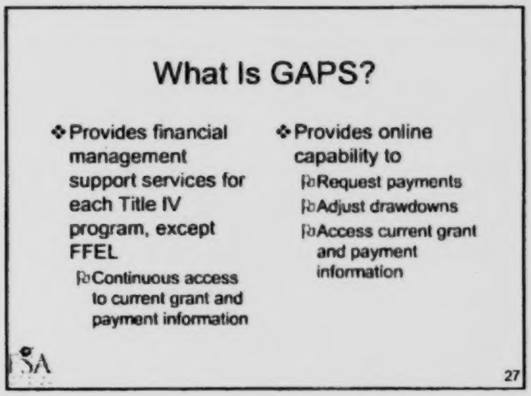
Bank Account Requirements

- Institution must maintain Title IV funds in a bank or investment account that is
  - Federally insured or secured by collateral of equivalent value
  - Identified as containing federal funds
- Separate bank accounts for each Title IV program are not required unless
  - ED determines institution has not complied with regulatory requirements



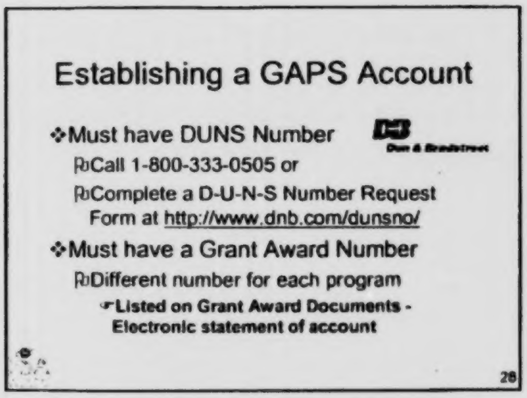
Bank Account Requirements

- Institution must maintain Title IV funds in an interest-bearing or investment account
  - Perkins funds must always be in an interest-bearing account
  - Direct Loan, Pell, SEOG, and FWS must be in an interest-bearing account unless
    - **Institution drew down less than $3 million of those funds in prior award year and expects to draw down less than $3 million in current award year**



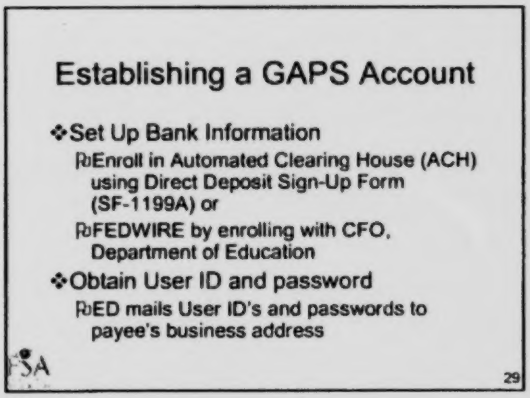
What Is GAPS?

- Provides financial management support services for each Title IV program, except FFEL
  - Continuous access to current grant and payment information
- Provides online capability to
  - Request payments
  - Adjust drawdowns
  - Access current grant and payment information



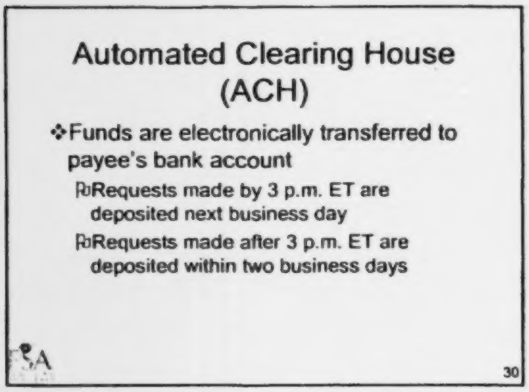
Establishing a GAPS Account

- Must have DUNS Number
  - Call 1-800-333-0505 or
  - Complete a D-U-N-S Number Request Form at http://www.dnb.com/dunsno/
- Must have a Grant Award Number
  - Different number for each program
    - **Listed on Grant Award Documents - Electronic statement of account**



Establishing a GAPS Account

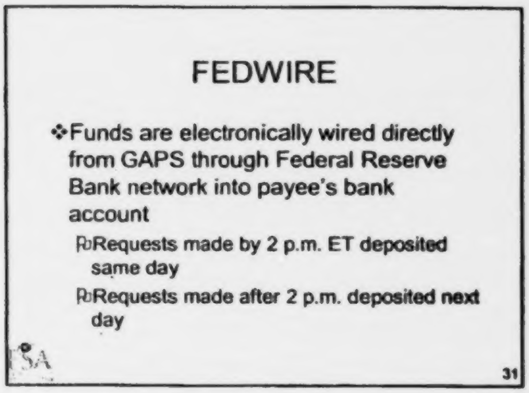
- Set Up Bank Information
  - Enroll in Automated Clearing House (ACH) using Direct Deposit Sign-Up Form (SF-1199A) or
  - FEDWIRE by enrolling with CFO, Department of Education
- Obtain User ID and password
  - ED mails User ID's and passwords to payee's business address



Automated Clearing House (ACH)

- Funds are electronically transferred to payee's bank account
  - Requests made by 3 p.m. ET are deposited next business day
  - Requests made after 3 p.m. ET are deposited within two business days

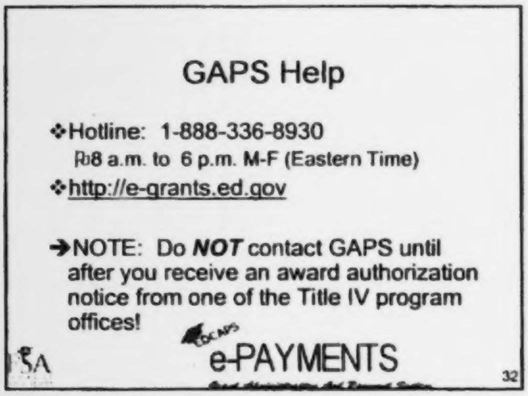
FSA



FEDWIRE

- Funds are electronically wired directly from GAPS through Federal Reserve Bank network into payee's bank account
  - Requests made by 2 p.m. ET deposited same day
  - Requests made after 2 p.m. deposited next day

FSA



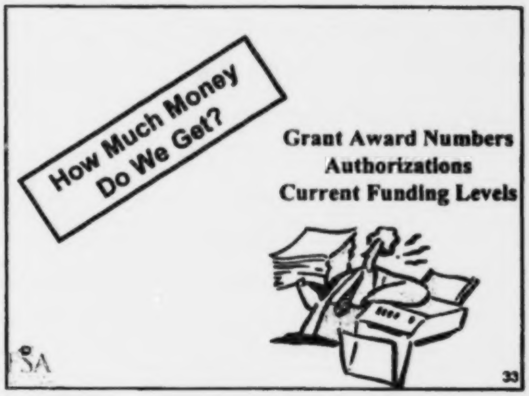
GAPS Help

- Hotline: 1-888-336-8930
  - 8 a.m. to 6 p.m. M-F (Eastern Time)
- http://e-grants.ed.gov

➔NOTE: Do ***NOT*** contact GAPS until after you receive an award authorization notice from one of the Title IV program offices!

FSA

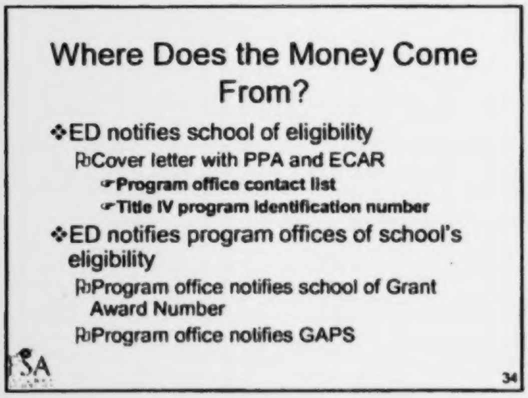
GAPS e-PAYMENTS



How Much Money Do We Get?

Grant Award Numbers
Authorizations
Current Funding Levels

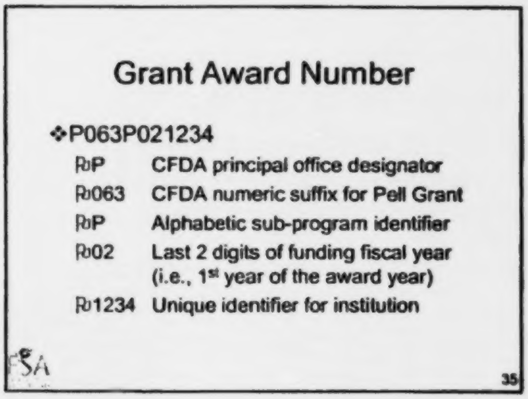
FSA



Where Does the Money Come From?

- ED notifies school of eligibility
  - Cover letter with PPA and ECAR
    - **Program office contact list**
    - **Title IV program identification number**
- ED notifies program offices of school's eligibility
  - Program office notifies school of Grant Award Number
  - Program office notifies GAPS

FSA

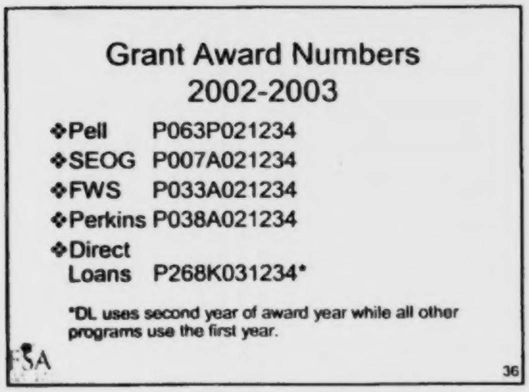


Grant Award Number

- P063P021234

P	CFDA principal office designator
063	CFDA numeric suffix for Pell Grant
P	Alphabetic sub-program identifier
02	Last 2 digits of funding fiscal year (i.e., 1st year of the award year)
1234	Unique identifier for institution

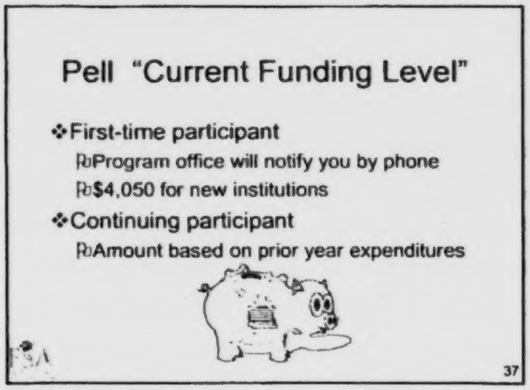
FSA



Grant Award Numbers 2002-2003

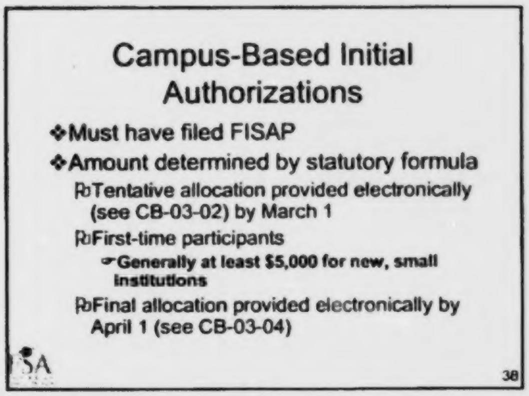
❖Pell	P063P021234
❖SEOG	P007A021234
❖FWS	P033A021234
❖Perkins	P038A021234
❖Direct Loans	P268K031234*

*DL uses second year of award year while all other programs use the first year.



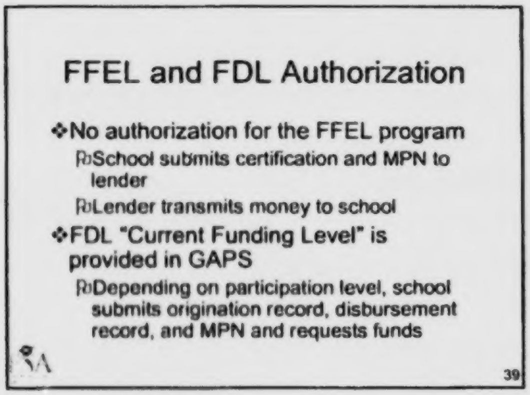
Pell "Current Funding Level"

- ❖First-time participant
  - Program office will notify you by phone
  - $4,050 for new institutions
- ❖Continuing participant
  - Amount based on prior year expenditures



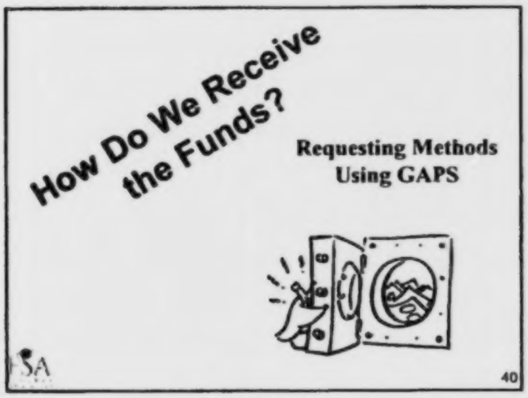
Campus-Based Initial Authorizations

- ❖Must have filed FISAP
- ❖Amount determined by statutory formula
  - Tentative allocation provided electronically (see CB-03-02) by March 1
  - First-time participants
    - **Generally at least $5,000 for new, small institutions**
  - Final allocation provided electronically by April 1 (see CB-03-04)



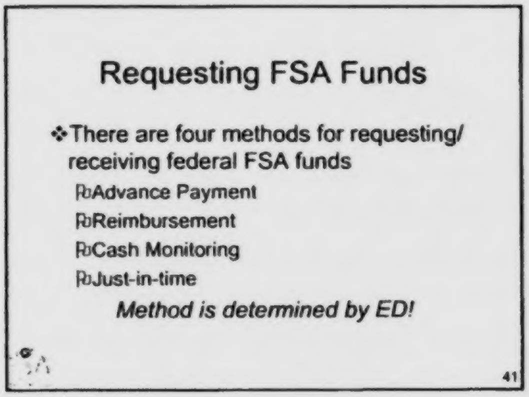
FFEL and FDL Authorization

- ❖No authorization for the FFEL program
  - School submits certification and MPN to lender
  - Lender transmits money to school
- ❖FDL "Current Funding Level" is provided in GAPS
  - Depending on participation level, school submits origination record, disbursement record, and MPN and requests funds



How Do We Receive the Funds?

Requesting Methods Using GAPS



Requesting FSA Funds

- ❖There are four methods for requesting/ receiving federal FSA funds
  - Advance Payment
  - Reimbursement
  - Cash Monitoring
  - Just-in-time

Method is determined by ED!

Requesting FSA Funds

- Pell, Campus-Based, and Direct Loan funds must be requested through the Grants Administration and Payments System (GAPS)
  - Must have GAPS account and
  - Must identify the amount requested by program and fiscal year designation

  Note: Pushed Cash is a new method for obtaining Pell and Direct Loan funds
- FFEL funds are requested from private lenders

Requesting Funds from GAPS

- Must identify the amount of funds by program and fiscal year
  - Pell
  - FWS
  - Perkins
  - FSEOG
  - Direct Loans
- Do not request more than is needed for "immediate need" to disburse to eligible students
  - 3 business days

Requesting FFEL Funds

- Schools may not request that lenders provide funds by *EFT or master check* earlier than
  - 27 days after first day of classes of first payment period for first time, first year Stafford borrowers and
  - 13 days before first day of classes for any subsequent payment periods first time, first year Stafford borrowers and for all other Stafford borrowers and PLUS borrowers

Requesting FFEL Funds

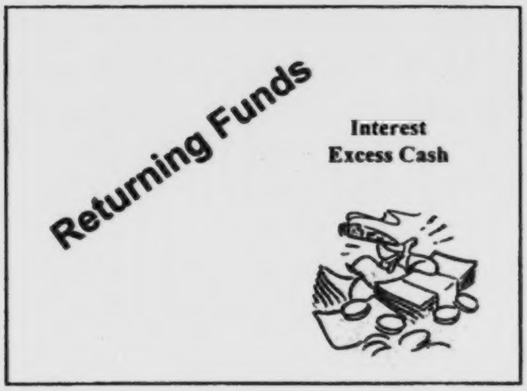
- Schools may not request that lenders provide funds by check earlier than
  - First day of classes of first payment period for first time, first year Stafford borrower
  - 30 days before first day of classes for
    - **Any subsequent payment periods**
    - **Other Stafford borrowers**
    - **All PLUS borrowers**

FFEL Contacts

- Schools should contact guaranty agencies (and lenders) for information and assistance
  - www.ed.gov/Programs/bastmp/SGA.htm
- Guaranty agencies are notified of new institutions and will provide assistance upon request

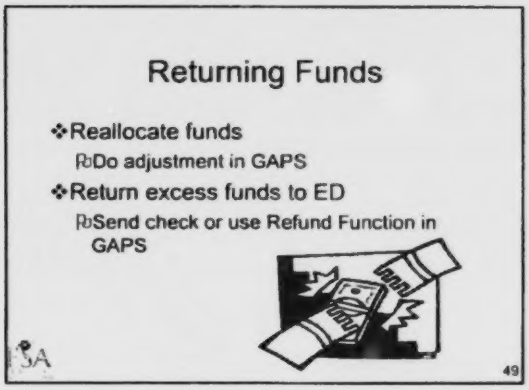
Direct Loan Contacts

- Schools will be directed to call the DL Program Office before final approval to participate in this program
  - Regional School Relations Client Account Manager will contact new institutions
  - COD Customer Service Center (formerly the Loan Origination Center) will contact new institutions



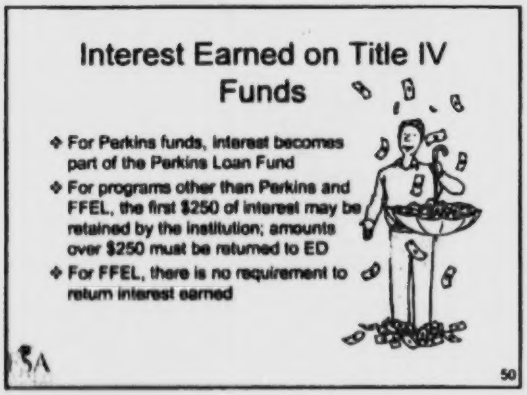
Returning Funds

Interest
Excess Cash



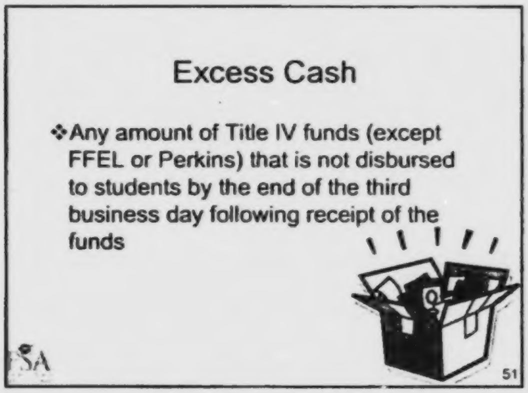
Returning Funds

- Reallocate funds
  - Do adjustment in GAPS
- Return excess funds to ED
  - Send check or use Refund Function in GAPS



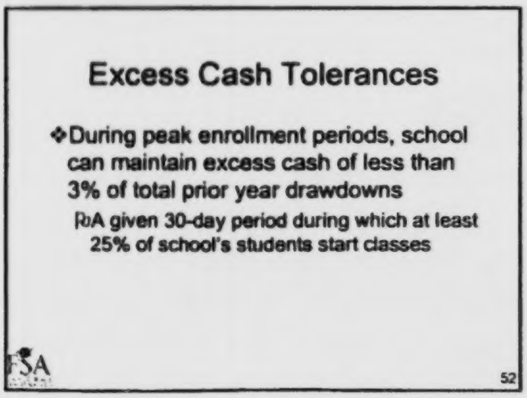
Interest Earned on Title IV Funds

- For Perkins funds, interest becomes part of the Perkins Loan Fund
- For programs other than Perkins and FFEL, the first $250 of interest may be retained by the institution; amounts over $250 must be returned to ED
- For FFEL, there is no requirement to return interest earned



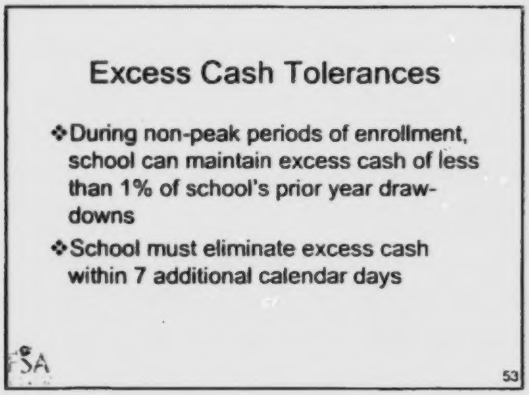
Excess Cash

- Any amount of Title IV funds (except FFEL or Perkins) that is not disbursed to students by the end of the third business day following receipt of the funds



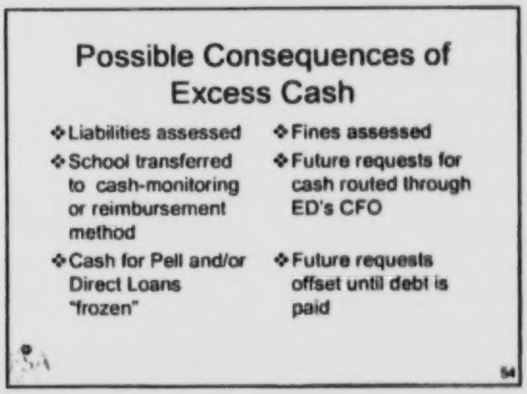
Excess Cash Tolerances

- During peak enrollment periods, school can maintain excess cash of less than 3% of total prior year drawdowns
  - A given 30-day period during which at least 25% of school's students start classes



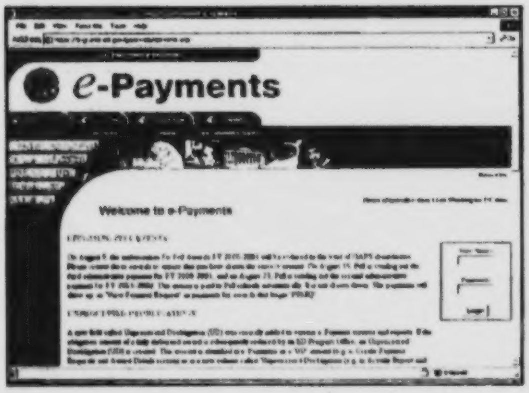
Excess Cash Tolerances

- During non-peak periods of enrollment, school can maintain excess cash of less than 1% of school's prior year draw-downs
- School must eliminate excess cash within 7 additional calendar days

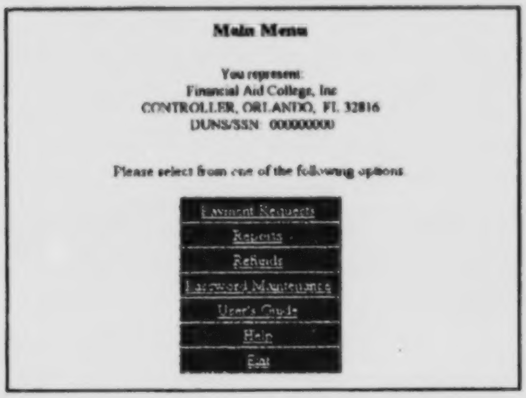


Possible Consequences of Excess Cash

- ❖ Liabilities assessed
- ❖ School transferred to cash-monitoring or reimbursement method
- ❖ Cash for Pell and/or Direct Loans "frozen"
- ❖ Fines assessed
- ❖ Future requests for cash routed through ED's CFO
- ❖ Future requests offset until debt is paid



Welcome to e-Payments

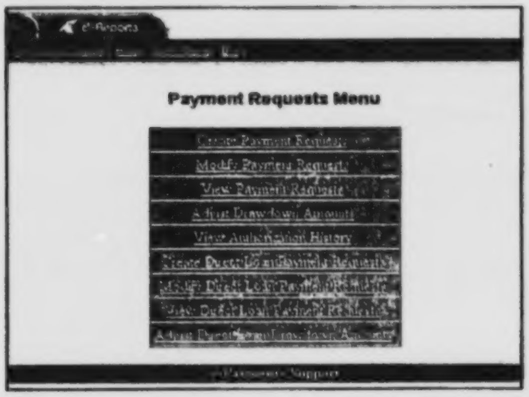


Main Menu

You represent:
Financial Aid College, Inc
CONTROLLER, ORLANDO, FL 32816
DUNS/SSN: 000000000

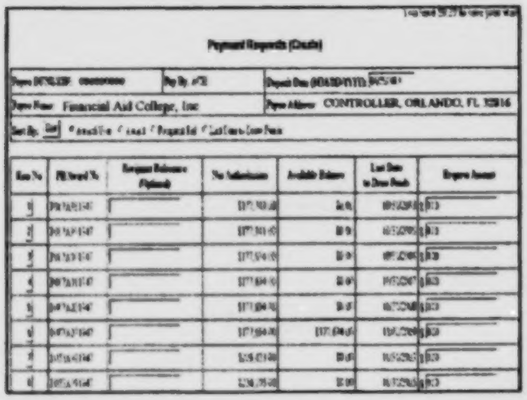
Please select from one of the following options

Payment Requests
Reports
Refunds
Password Maintenance
User's Guide
Help
Exit


e-Payments

Payment Requests Menu

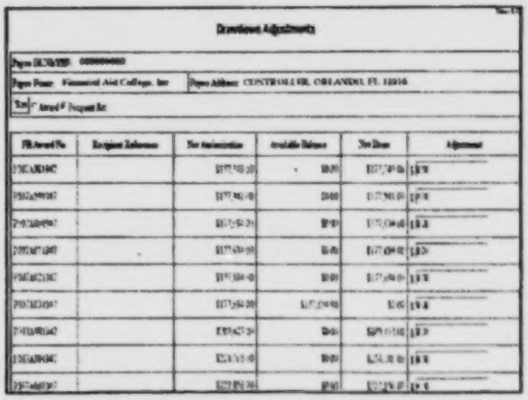
Create Payment Requests
Modify Payment Requests
View Payment Requests
Adjust Drawdown Amounts
View Authorization History
Create Direct Loan Payment Requests
Modify Direct Loan Payment Requests
View Direct Loan Payment Requests
Adjust Direct Loan Drawdown Amounts
e-Payments Support



Payment Requests (Cash)

Payee Name: Financial Aid College, Inc

Payee Address: CONTROLLER, ORLANDO, FL 32816

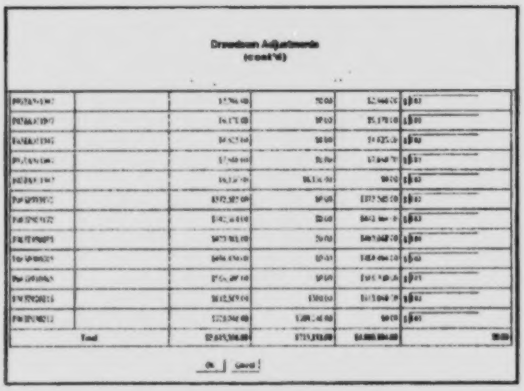


Drawdown Adjustments

Payee Name: Financial Aid College, Inc

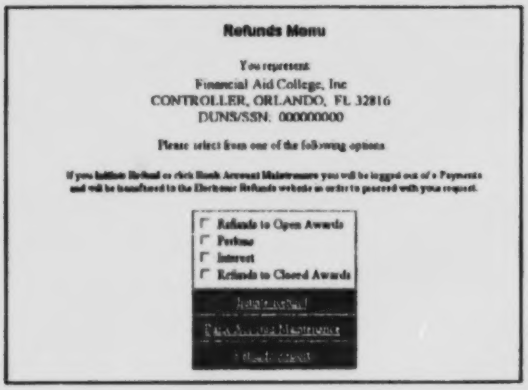
Payee Address: CONTROLLER, ORLANDO, FL 32816

BEST COPY AVAILABLE



Drawdown Adjustments
(cont'd)

Total
OK
Cancel



Refunds Menu

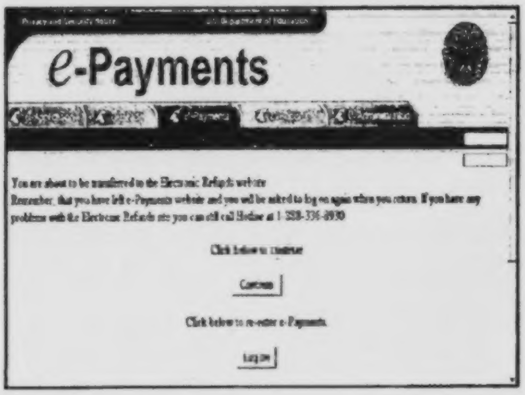
You represent:
Financial Aid College, Inc
CONTROLLER, ORLANDO, FL 32816
DUNS/SSN: 000000000

Please select from one of the following options

If you Initiate Refund or click Bank Account Maintenance you will be logged out of e-Payments and will be transferred to the Electronic Refunds website in order to proceed with your request.

☐ Refunds to Open Awards
☐ Perkins
☐ Interest
☐ Refunds to Closed Awards

Initiate Refund
Bank Account Maintenance



Privacy and Security Notice
U.S. Department of Education
e-Payments
e-Payments

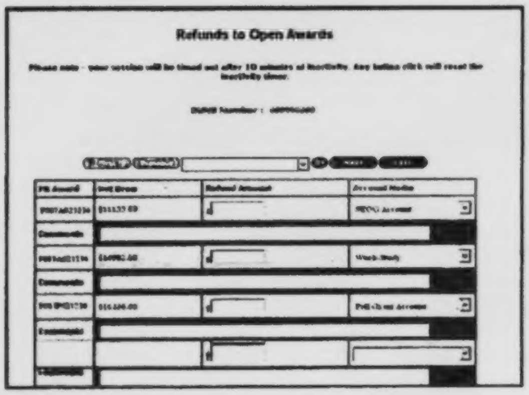
You are about to be transferred to the Electronic Refunds website
Remember, that you have left e-Payments website and you will be asked to log on again when you return. If you have any problems with the Electronic Refunds site you can still call Hotline at 1-888-336-8930

Click below to continue

Continue

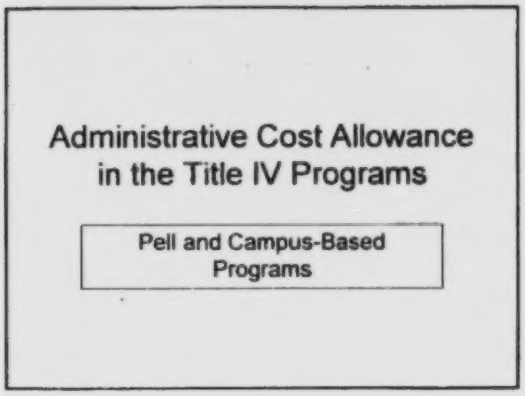
Click below to re-enter e-Payments.

Log on



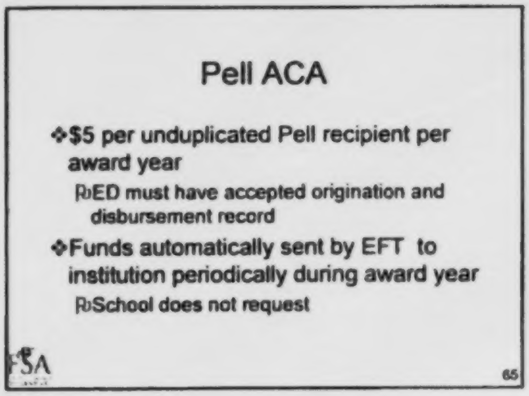
Refunds to Open Awards

Please note - your session will be timed out after 10 minutes of inactivity. Any button click will reset the inactivity timer.



Administrative Cost Allowance in the Title IV Programs

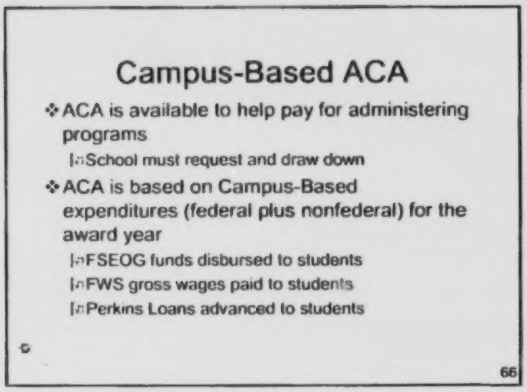
Pell and Campus-Based Programs



Pell ACA

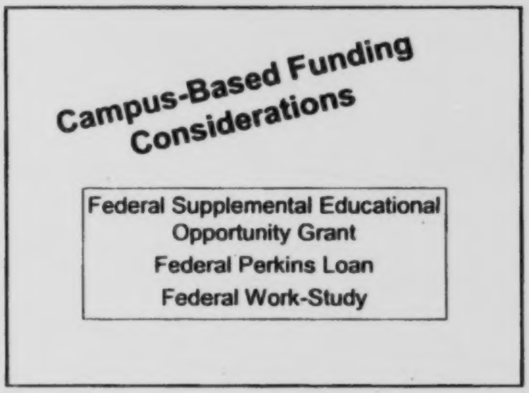
- $5 per unduplicated Pell recipient per award year
  - ED must have accepted origination and disbursement record
- Funds automatically sent by EFT to institution periodically during award year
  - School does not request

BEST COPY AVAILABLE



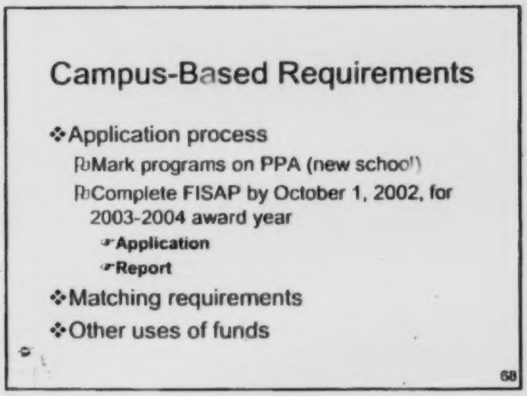
Campus-Based ACA

- ❖ACA is available to help pay for administering programs
  - School must request and draw down
- ❖ACA is based on Campus-Based expenditures (federal plus nonfederal) for the award year
  - FSEOG funds disbursed to students
  - FWS gross wages paid to students
  - Perkins Loans advanced to students



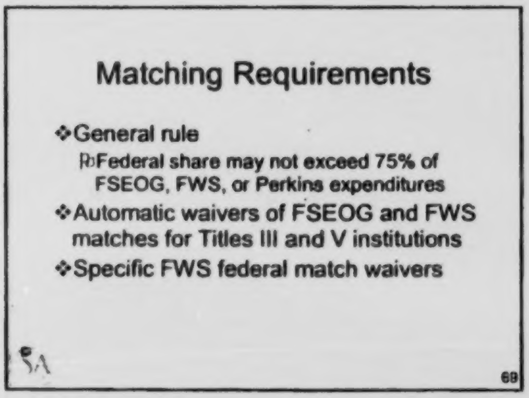
Campus-Based Funding Considerations

Federal Supplemental Educational Opportunity Grant
Federal Perkins Loan
Federal Work-Study



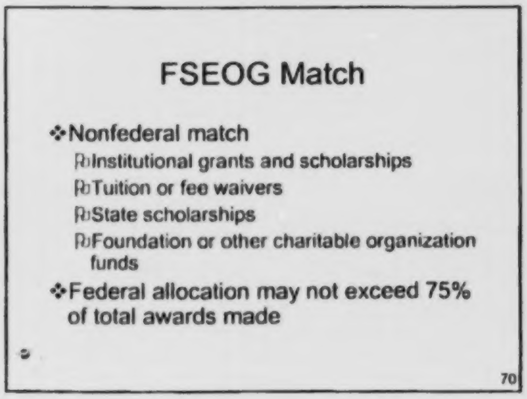
Campus-Based Requirements

- ❖Application process
  - Mark programs on PPA (new school)
  - Complete FISAP by October 1, 2002, for 2003-2004 award year
    - **Application**
    - **Report**
- ❖Matching requirements
- ❖Other uses of funds



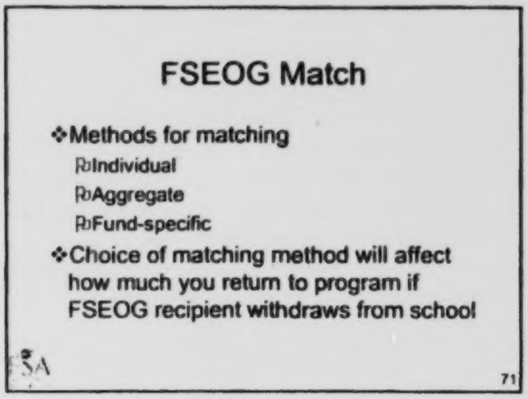
Matching Requirements

- ❖General rule
  - Federal share may not exceed 75% of FSEOG, FWS, or Perkins expenditures
- ❖Automatic waivers of FSEOG and FWS matches for Titles III and V institutions
- ❖Specific FWS federal match waivers



FSEOG Match

- ❖Nonfederal match
  - Institutional grants and scholarships
  - Tuition or fee waivers
  - State scholarships
  - Foundation or other charitable organization funds
- ❖Federal allocation may not exceed 75% of total awards made



FSEOG Match

- ❖Methods for matching
  - Individual
  - Aggregate
  - Fund-specific
- ❖Choice of matching method will affect how much you return to program if FSEOG recipient withdraws from school

FWS Match

- Nonfederal match may be non-cash
- Private nonprofit organization or federal, state, or local public agency employer
  - Up to 90% federal for up to 10% of students
- Private for profit employer
  - Minimum 50% nonfederal match

FWS Automatic Match Waivers

- If work performed by student is for the institution, a public agency, or a private nonprofit organization

and

- Student is a reading tutor, math tutor, and/or performing family literacy activities

then

- Funds used to pay students may be 100% federal funds

FWS Community Service Requirements

- School must use 7% of total allocation for community service employment
  - Must include one reading tutor project or family literacy project

Perkins Match

- One-third of federal allocation (FCC)

or

- 25% of federal allocation plus institution's match share (ICC)

Other Uses of Funds

- Carry forward/carry back
  - 10% of current award year FSEOG and FWS allocations may be expended in the following award year or the previous award year
  - Any portion of FWS may be carried back for summer employment on or after May 1 but prior to July 1

Other Uses of Funds

- Up to 25% of FWS allocation may be transferred to and used in FSEOG
- Up to 25% of Perkins FCC may be transferred to and used in either or both FSEOG and FWS
- FSEOG funds may not be transferred

Process Student Applications

- Understand Student Eligibility
- Complete the FAFSA Correctly
- Calculate the Expected Family Contribution
- Use Information from Output Documents – ISIR/SAR
- Verify Information Submitted on the FAFSA
- Package Aid for the Student
  - Calculate Federal Pell Grants
  - Award Federal Loans
  - Award Campus-Based Funds
- Eliminate Overawards
- Make Adjustments and Recalculations
- Exercise Professional Judgment

General Student Eligibility Checklist

Place a check mark in the box to indicate that the student "passes" that measure of eligibility.

☐ 1. The student is a "regular student" enrolled or accepted for enrollment in an "eligible program" for the purpose of obtaining a degree or certificate. (Hdbk. pg. 1-1)

☐ 2. The student is not enrolled solely in remedial coursework, but also in an eligible program. (Hdbk. pg. 1-2)

☐ 3. The student is not currently enrolled in secondary school. (Hdbk. pg. 1-3)

☐ 4. The student meets the academic qualifications for study at the postsecondary level. (Student has a high school diploma or recognized equivalent, such as a GED, has been home-schooled, or is beyond the age of compulsory school attendance, has passed an ability-to-benefit test, or followed a state-prescribed process.) (Hdbk. pg. 1-4, FAFSA Q.31)

☐ 5. The student is maintaining satisfactory academic progress. (Hdbk. pg. 1-8)

☐ 6. To receive FFEL/Direct Loan funds, the student must be enrolled at least half time. (Hdbk. pg. 1-12)

☐ 7. The student has not been convicted of a drug-related offense that affects Title IV eligibility. (Hdbk. pg.1-14, FAFSA Q. 35)

☐ 8. If incarcerated, the student is not eligible for Title IV loans. If incarcerated in a federal or state penal institution, the student is not eligible for Pell Grant. (Hdbk. pg. 1-14)

☐ 9. If enrolled in a correspondence course, that course is part of an eligible program. (Hdbk. pg. 1-16)

☐ 10. The student is a U.S. citizen or an eligible non-citizen. (Hdbk. pg. 1-19, FAFSA Q. 13 – 14)

☐ 11. The student is not in default on a Title IV loan, does not owe an overpayment on a Title IV grant or loan, and has not borrowed in excess of annual or aggregate Title IV loan limits. (Hdbk. pg. 1-45, FAFSA, Step 7)

☐ 12. The student has a valid Social Security number. (Hdbk. pg. 1-57, FAFSA Q. 8)

☐ 13. If male, the student must be registered with Selective Service. (Hdbk. pg. 1-65, FAFSA Q. 27-28)

Tony's Questions

Scenario: Tony comes into your office, FAFSA in hand, confused about how to answer several questions. You meet with your fellow FAAs to help him...

Tony's questions are as follows:

1. I'm afraid to put my Social Security Number on this form. Do I have to?

2. Before I get to the rest of my questions, I have a question for a friend originally from Japan. She just became a U.S. citizen, although she's been in the United States for a few years. She also has an alien registration number, which she put on last year's FAFSA. Should she still include her alien registration number in number 14? What should she put for number 13?

3. My brother wanted me to ask you something, too. He is hoping his divorce will be complete any day now. He has been separated from his wife for 13 months. He is filing his FAFSA this week. How should he answer number 15? Should he include his wife's income on the application?

4. Why do I have to put my parents' educational history in questions 22 and 23? Why does that matter?

____

5. What does being registered with Selective Service have to do with receiving financial aid? Questions 27 and 28.

____

6. This will be my first year in college, but I did take some college courses as a high school senior this year. What should I put for number 30?

____

7. I'm not sure if I will need loans or will want to do work study this year. I don't want to be tied to anything yet. How should I answer numbers 33 and 34?

____

8. A friend of mine was arrested for having illegal drugs in his car. Does that mean he doesn't qualify for financial aid?

____

9. I haven't done my tax return yet, but I want to submit my FAFSA early so I can meet all the early financial aid deadlines. What should I do?

____

10. My friend made $15,000 last year and he says he's not going to file taxes, even though he's required to. Can he get financial aid?

11. I have a 22-year-old cousin who is single and has a two-year-old little girl. She has no income and lives with her boyfriend. He works and pays all of the bills. My cousin wants to be independent because her parents won't help her pay for school. How should she answer number 55?

12. I'm 19 and my parents are separated. I lived with my mom most of the time over the past year. I see my dad on weekends and some holidays. He sends my mom a lot of money every month to support us, though. He also told me to tell you that he claims me as a dependent on his tax return. Whose tax information should be included in Step Four?

13. The parents of my friend Howie died two years ago. He lives with his aunt. Should the amount she spends on Howie's food and shelter count as part of Howie's income on the FAFSA? His aunt also makes his monthly car payment, which is a debt in his name. Should that count as Howie's income? Why or why not?

14. My friend Tina lives with her dad and her mean stepmother. Her stepmother told Tina she won't supply any of her tax information for Tina's FAFSA. Tina can get her dad's information. Will this be sufficient for Tina to get financial aid?

15. What about my friend Sam? His parents travel all the time, so Sam lives with his grandparents. Should he put his grandparents' data in Step Four? Why or why not?

____

16. For number 65, my sister lives on her own, but my mom pays for everything – food, clothes, you name it. Should my mom count her as part of our household?

____

17. My friend is pregnant and the baby is due during the school year. Should she count the baby in her household ?

____

18. I'm not sure which school I want to attend, and I don't know which college to list first in Step Six? What do you suggest?

____

19. I think you need to sign the FAFSA as the preparer, because you told me how to answer so many questions! (Should you fill out the preparer's section in Step Seven?)

____

20. My mom doesn't want to sign the FAFSA. Could I get my dad's signature instead?

____

21. What is this big paragraph in Step Seven all about?

____

Application for Title IV Aid
Free Application for Federal Student Aid (FAFSA)

	Paper FAFSA (or Renewal)	FAFSA on the Web (or Renewal FOTW)	FAA Access to CPS**	EDExpress (or other Vendor Software)
How is the application form accessed?	Obtain a paper copy from school, library, etc., or call 1-800-4-FED-AID.	On-line through the Internet: www.fafsa.ed.gov	School can access appl. on the web at: http://www.fafsa.ed.gov/FAA/faa.htm	School that student wants to attend can access application module of free EDExpress Software.
How is the application submitted?	Student and family fill out paper application and mail to CPS (Central Processing System).	Student and family complete online (PC or Mac) and transmit to the CPS through Internet.	Student and family complete paper form, school enters it electronically. (PC or Mac) School transmits to the CPS through internet. ***Note: School must keep the signed, paper copy on file.***	Student and family complete paper form, school enters it electronically on PC with EDExpress and EDConnect software, SAIG access required thru Internet. ***Note: School must keep the signed, paper copy on file.***
Edits?	None	Internal edits alert student to correct or enter information. Fewer rejects	End of Entry edits alert school to correct or enter information. Fewer rejects	Internal edits alert school to correct or enter information. Fewer rejects
What process is used if student cannot complete application all at once?	Student can hold paper FAFSA and send in when information is completed.	Can save online and retrieve with password and PIN for 45 days.	Can save and later retrieve with student identifiers (ss#, dob, 1st 2 letters of last name) and password used in initial steps.	FAFSA information is retained in school's EDExpress Apps Processing Software.
How is the application processed?	FAFSA processor enters data and sends to CPS. 4 weeks to process	Electronic information is sent directly to CPS. Average 72 hrs. to process	School inputs information into the CPS database electronically. Average 72 hrs. to process	Electronic information input by school is sent directly to CPS Average 72 hrs. to process

* Available Online November 2003

** To replace Application Processing Module 2004-2005

Application for Title IV Aid
Free Application for Federal Student Aid (FAFSA)
(continued)

	Paper FAFSA (or Renewal)	FAFSA on the Web (or Renewal FOTW)	FAA Access to CPS**	EDExpress (or Other Vendor Software)
Who gets what?	**Student** gets Student Aid Report (SAR) or "SAR on the Web" (when e-mail address is supplied). **School** gets Institutional Student Information Record (ISIR).	**Student** gets SAR Information Acknowledgement or "SAR on the Web" (when e-mail address is supplied) **School** gets ISIR.	**Student** gets SAR Information Acknowledgement or "SAR on the Web" (when e-mail address is supplied) **School** gets ISIR.	**Student** gets SAR Information Acknowledgement or "SAR on the Web" (when e-mail address is supplied) **School** gets ISIR.
How is information corrected once it has been submitted?	Student: Use Part 2 of SAR or with PIN, make corrections on the web at: www.fafsa.ed.gov	Student: Use PIN, make corrections on the web at: www.fafsa.ed.gov (E-mail notification of corrections if e-mail address is supplied)	School: with school code listed on application. Or with DRN, make corrections on the web at: http://www.fafsa.ed.gov/FAA/faa.htm	Student: Use PIN, make corrections on the web at: www.fafsa.ed.gov or submit to school for correcting. (E-mail notification of corrections if e-mail address is supplied)
Other benefits?		Skip Logic; Useful Links; Online help; Real time Online Customer Service EFC estimate	Skip Logic; End of entry Edits; Web Chat help; See App/Corr data submitted by student; NSLDS info; SAR comments; EFC, Overrides, FAA info; Demo*; Corrections.	EFC Estimate Electronic Availability for students.

* Available Online November 2003

** To replace Application Processing Module 2004-2005

Apply for a PIN online at http://www.pin.ed.gov

- Applicants choose whether to receive pin via e-mail (with a secure link to their PIN) or via paper mailer to their permanent mailing address.
- If an e-mail delivery is chosen, PIN will be returned to applicants with a link to a site where they will get their PIN.
- If may be viewed only one time.
- If not accessed within 14 days of receipt of e-mail, the link will be removed and the PIN will be sent via a paper mailer to student's permanents mailing address listed on his/her FAFSA.

Student uses for a PIN:

- Sign FAFSA on the Web
- Make online corrections to FAFSA
- Access student site of NSLDS to his/her own financial aid history
- Access own Renewal FAFSA on the Web

Electronic SAR

- If applicant provides e-mail address on FAFSA, student will receive e-mail message with a link to his/her PIN and electronic SAR. Applicant will not receive paper SAR or PIN paper mailer.
- Link to SAR may be visited as many times as he/she wishes.

FAFSA on the Web Demo Site: fafsademo.test.ed.gov

- User name = eddemo
- Password = fafsatest

2003-2004 Free Application for Federal Student Aid (FAFSA)

Worksheet for Question 35

We sent you this worksheet with your Student Aid Report (SAR) because you left question 35 blank, or because you told us you have a drug-related conviction.

Use this worksheet to determine your answer to question 35. Then, if necessary, correct your answer by using your SAR, by calling 1-800-4-FED-AID (1-800-433-3243), or by going to our website at www.fafsa.ed.gov and submitting a correction. Do not submit this worksheet to us. Keep it for your records.

Do not leave question 35 blank. Your answer to question 35 may affect your eligibility for federal student financial aid.

- **"1"** means your eligibility for federal student aid is not affected by question 35.
- **"2"** means your drug conviction(s) affect eligibility for federal student aid for part of the school year. You should tell the financial aid office at your school your "eligibility date" from question 9 on this worksheet. You can become eligible earlier in the school year if you complete an acceptable drug rehab program. You may still be eligible for state and school aid.
- **"3"** means you are not eligible for federal student aid for this school year unless you complete an acceptable drug rehab program. You may still be eligible for state and school aid.

If you are convicted of possessing or selling drugs after you submit your FAFSA, you must notify the financial aid office at your school immediately. You will lose your eligibility for federal student aid and must pay back all aid you received after your conviction.

If you need help with this worksheet, or have questions, call us at 1-800-4-FED-AID (1-800-433-3243).

1 On this worksheet count only federal or state convictions. Do not count any convictions that have been removed from your record, or occurred before you turned 18, unless you were tried as an adult.

Have you ever been convicted of selling or possessing drugs (not including alcohol or tobacco)?

No ☐ *If No, change your answer to question 35 to "1," and sign and send us your SAR.*

Yes ☐ *If Yes, go to question 2 on the back of this page.*

BEST COPY AVAILABLE

2 Have you completed an acceptable drug rehab program since your last conviction?

An acceptable drug rehabilitation program must include at least 2 unannounced drug tests, and:

- be qualified to receive funds from a federal, state, or local government or from a federally- or state-licensed insurance company; or
- be administered or recognized by a federal, state, or local government agency or court, or a federally- or state-licensed hospital, health clinic, or medical doctor.

Yes ☐ *If Yes, change your answer to question 35 to "1," and sign and send us your SAR.*

No ☐ *If No, go to question 3.*

3 Do you have more than two convictions for **possessing** drugs?

Yes ☐ *If Yes, change your answer to question 35 to "3," and sign and send us your SAR.*

No ☐ *If No, go to question 4.*

4 Do you have more than one conviction for **selling** drugs?

Yes ☐ *If Yes, change your answer to question 35 to "3," and sign and send us your SAR.*

No ☐ *If No, go to question 5.*

5 Write the date of your last conviction for **possessing** drugs here: **5** / /

If you have no convictions for possessing drugs, skip to question 7.

6 If you have only one conviction for possessing drugs, add **one year** to the date in question 5, and write that date here:

If you have two convictions for possessing drugs, add **two years** to the date in question 5, and write that date here: **6** / /

7 Write the date of your last conviction for **selling** drugs here: **7** / /

If you have no convictions for selling drugs, skip to question 9.

8 If you have only one conviction for selling drugs, add **two years** to the date in question 7, and write that date here: **8** / /

9 Look at the dates you wrote in questions 6 and 8. If there is only one date, copy that date here. If there are two dates, write the later one here. This is your "eligibility date." **9** / /

ELIGIBILITY DATE

If your eligibility date in question 9 is before July 1, 2003, change your answer to question 35 to "1," and sign and send us your SAR.

If your eligibility date is July 1, 2003 through June 30, 2004, change your answer to question 35 to "2," and sign and send us your SAR. Save this worksheet for your records. Contact the financial aid office at your school, and tell them your eligibility date.

If your eligibility date is after June 30, 2004, change your answer to question 35 to "3," and sign and send us your SAR.

EFC Calculation

Quick Choice of Need Analysis Formulas

If student is:	**Then formula could be:**
Dependent student	Full data element Simplified* Automatic Zero EFC**
Independent with dependents other than a spouse	Full data element Simplified* Automatic Zero EFC**
Independent ***without*** dependents other than a spouse	Full data element Simplified*

*Simplified:

Dependent Student: neither the student nor his parents were required to file a 1040 *AND* parents' AGI (or income from work, if not filing) was <$50,000.
Independent Student: neither student (nor spouse) was required to file a 1040 *AND* student's and spouse's combined AGI (or income from work, if not filing) was <$50,000.

⇨***Result: Assets not considered***

**Automatic Zero EFC:

Dependent Student: neither the parents nor student was required to file a 1040 AND parents' combined AGI (or income earned from work, if not filing) was ≤$15,000.
Independent Student with Dependents Other Than a Spouse: neither the student nor spouse was required to file a 1040 AND their combined AGI (or income earned from work, if not filing) was ≤$15,000

⇨***Result: EFC=Zero***

FAFSA

JULY 1, 2003 — JUNE 30, 2004
FREE APPLICATION FOR FEDERAL STUDENT AID
We Help Put America Through School
OMB # 1845-0001

Step One: For questions 1-34, leave blank any questions that do not apply to you (the student).

1-3. Your full name (as it appears on your Social Security card)

1. LAST NAME: BERNINI
2. FIRST NAME: BROOKE
3. MIDDLE INITIAL: S

4-7. Your permanent mailing address

4. NUMBER AND STREET (INCLUDE APT. NUMBER): 123 MAIN STREET
5. CITY (AND COUNTRY IF NOT U.S.): THOMASTON
6. STATE: ME
7. ZIP CODE: 04681

8. Your Social Security Number: 115-97-4419

9. Your date of birth: 07/23/1984

10. Your permanent telephone number: (207) 555-1212

11-12. Your driver's license number and state (if any)

11. LICENSE NUMBER: SFA-111555111
12. STATE: ME

13. Are you a U.S. citizen? Pick one. **See page 2.**

a. Yes, I am a U.S. citizen. **Skip to question 15** ● 1
b. No, but I am an eligible noncitizen. **Fill in question 14.** ○ 2
c. No, I am not a citizen or eligible noncitizen. ○ 3

14. ALIEN REGISTRATION NUMBER: A

15. What is your marital status as of today?

I am single, divorced, or widowed ● 1
I am married/remarried ○ 2
I am separated ○ 3

16. Month and year you were married, separated, divorced, or widowed: MONTH __ / YEAR ____

For each question (17 - 21), please mark whether you will be full time, 3/4 time, half time, less than half time, or not attending. **See page 2.**

17. Summer 2003	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
18. Fall 2003	Full time/Not sure ● 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
19. Winter 2003-2004	Full time/Not sure ● 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
20. Spring 2004	Full time/Not sure ● 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
21. Summer 2004	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
22. Highest school your father completed	Middle school/Jr. High ○ 1	High school ● 2	College or beyond ○ 3	Other/unknown ○ 4	
23. Highest school your mother completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ● 3	Other/unknown ○ 4	

24. What is your state of legal residence? STATE: ME

25. Did you become a legal resident of this state before January 1, 1998? Yes ● 1 No ○ 2

26. If the answer to question 25 is **"No,"** give month and year you became a legal resident. MONTH __ / YEAR ____

27. Are you male? (Most male students must register with Selective Service to get federal aid.) Yes ● 1 No ○ 2

28. If you are male (age 18-25) and not registered, answer "Yes" and Selective Service will register you. Yes ○ 1 No ● 2

29. What degree or certificate will you be working on during 2003-2004? **See page 2** and enter the correct number in the box. 1

30. What will be your grade level when you begin the 2003-2004 school year? **See page 2** and enter the correct number in the box. 0

31. Will you have a high school diploma or GED before you begin the 2003-2004 school year? Yes ● 1 No ○ 2

32. Will you have your first bachelor's degree before July 1, 2003? Yes ○ 1 No ● 2

33. In addition to grants, are you interested in student loans (which you must pay back)? Yes ● 1 No ○ 2

34. In addition to grants, are you interested in "work-study" (which you earn through work)? Yes ● 1 No ○ 2

35. Do not leave this question blank. Have you ever been convicted of possessing or selling illegal drugs? If you have, answer "Yes," complete and submit this application, and we will send you a worksheet in the mail for you to determine if your conviction affects your eligibility for aid. No ● 1 Yes ○ 3

DO NOT LEAVE QUESTION 35 BLANK

Page 3

For Help – 1-800-433-3243

BEST COPY AVAILABLE

Step Two: For questions 36-49, report your (the student's) income and assets. If you are married today, report your and your spouse's income and assets, even if you were not married in 2002. Ignore references to "spouse" if you are currently single, separated, divorced, or widowed.

36. For 2002, have you (the student) completed your IRS income tax return or another tax return listed in **question 37**?

a. I have already completed my return. ○ 1 b. I will file, but I have not yet completed my return. ○ 2 c. I'm not going to file. (Skip to question 42.) ● 3

37. What income tax return did you file or will you file for 2002?

a. IRS 1040 ○ 1
b. IRS 1040A, 1040EZ, 1040Telefile ○ 2
c. A foreign tax return. **See page 2.** ○ 3
d. A tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See page 2.** ○ 4

38. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No ○ 2 Don't Know ○ 3

For questions 39-51, if the answer is zero or the question does not apply to you, enter 0.

39. What was your (and spouse's) adjusted gross income for 2002? Adjusted gross income is on IRS Form 1040–line 35; 1040A–line 21; 1040EZ–line 4; or Telefile–line I. $ 0

40. Enter the total amount of your (and spouse's) income tax for 2002. Income tax amount is on IRS Form 1040–line 55; 1040A–line 36; 1040EZ–line 10; or Telefile–line K(2). $ 0

41. Enter your (and spouse's) exemptions for 2002. Exemptions are on IRS Form 1040–line 6d or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.**

42-43. How much did you (and spouse) earn from working (wages, salaries, tips, etc.) in 2002? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040–lines 7 + 12 + 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2 forms.

You (42) $ 3,500
Your Spouse (43) $

Student (and Spouse) Worksheets (44-46)

44-46. Go to page 8 and complete the columns on the left of Worksheets A, B, and C. Enter the student (and spouse) totals in questions 44, 45, and 46, respectively. Even though you may have few of the Worksheet items, check each line carefully.

Worksheet A (44) $ 0
Worksheet B (45) $ 0
Worksheet C (46) $ 0

47. As of today, what is the net worth of your (and spouse's) **investments,** including real estate (not your home)? **See page 2.** $ 0

48. As of today, what is the net worth of your (and spouse's) current **businesses and/or investment farms**? Do not include a farm that you live on and operate. **See page 2.** $ 0

49. As of today, what is your (and spouse's) total current balance of **cash, savings, and checking accounts**? Do not include student financial aid. $ 0

50-51. If you receive veterans' education benefits, for **how many months** from July 1, 2003 through June 30, 2004 will you receive these benefits, and **what amount** will you receive per month? Do not include your spouse's veterans education benefits.

Months (50)
Amount (51) $ 0

Step Three: Answer all seven questions in this step.

52. Were you born before January 1, 1980? Yes ○ 1 No ● 2

53. During the school year 2003-2004, will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.)? Yes ○ 1 No ● 2

54. As of today, are you married? (Answer "Yes" if you are separated but not divorced.) Yes ○ 1 No ● 2

55. Do you have children who receive more than half of their support from you? Yes ○ 1 No ● 2

56. Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2004? Yes ○ 1 No ● 2

57. Are you an orphan, or are you or were you (until age 18) a ward/dependent of the court? Yes ○ 1 No ● 2

58. Are you a veteran of the U.S. Armed Forces? **See page 2.** Yes ○ 1 No ● 2

If you (the student) answer "No" to every question in Step Three, go to Step Four.

If you answer "Yes" to any question in Step Three, skip Step Four and go to Step Five on page 6.

(If you are a health profession student, your school may require you to complete Step Four even if you answered "Yes" in Step Three.)

Step Four: Complete this step if you (the student) answered "No" to all questions in Step Three. Go to page 7 to determine who is a parent for this step.

59. What is your parents' marital status as of today?
Married/Remarried ● 1 Divorced/Separated ○ 3
Single ○ 2 Widowed ○ 4

60. Month and year they were married, separated, divorced, or widowed
MONTH 12 / YEAR 1962

61-64. What are the Social Security Numbers and last names of the parents reporting information on this form? If your parent does not have a Social Security Number, you must enter 000-00-0000

61. FATHER'S/STEPFATHER'S SOCIAL SECURITY NUMBER 115-53-1711
62. FATHER'S/STEPFATHER'S LAST NAME BERNINI
63. MOTHER'S/STEPMOTHER'S SOCIAL SECURITY NUMBER 115-61-3546
64. MOTHER'S/STEPMOTHER'S LAST NAME BERNINI

65. **Go to page 7** to determine how many people are in your parents' household. 04

66. Go to page 7 to determine how many in question 65 **(exclude your parents)** will be college students between July 1, 2003 and June 30, 2004. 2

67. What is your parents' state of legal residence? STATE ME

68. Did your parents become legal residents of this state before January 1, 1998? Yes ● 1 No ○ 2

69. If the answer to question 68 is "No," give the month and year legal residency began for the parent who has lived in the state the longest. MONTH ☐☐ / YEAR ☐☐☐☐

70. What is the age of your older parent? 58

71. For 2002, have your parents completed their IRS income tax return or another tax return listed in **question 72**?
a. My parents have already completed their return. ○ 1
b. My parents will file, but they have not yet completed their return. ● 2
c. My parents are not going to file. **(Skip to question 77.)** ○ 3

72. What income tax return did your parents file or will they file for 2002?
a. IRS 1040 ● 1
b. IRS 1040A, 1040EZ, 1040Telefile ○ 2
c. A foreign tax return. **See page 2.** ○ 3
d. A tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See page 2.** ○ 4

73. If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No ● 2 Don't Know ○ 3

For questions 74 - 84, if the answer is zero or the question does not apply, enter 0.

74. What was your parents' adjusted gross income for 2002? Adjusted gross income is on IRS Form 1040–line 35; 1040A–line 21; 1040EZ–line 4; or Telefile–line I. $ 58,000

75. Enter the total amount of your parents' income tax for 2002. Income tax amount is on IRS Form 1040–line 55; 1040A–line 36; 1040EZ–line 10; or Telefile–line K(2). $ 6,665

76. Enter your parents' exemptions for 2002. Exemptions are on IRS Form 1040–line 6d or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.** 04

77-78. How much did your parents earn from working (wages, salaries, tips, etc.) in 2002? Answer this question whether or not your parents filed a tax return. This information may be on their W-2 forms, or on IRS Form 1040–lines 7 + 12 + 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2 forms.
Father/Stepfather (77) $ 50,000
Mother/Stepmother (78) $ 9,074

Parent Worksheets (79-81)

79-81. Go to page 8 and complete the columns on the right of Worksheets A, B, and C. Enter the parent totals in questions 79, 80, and 81, respectively. Even though your parents may have few of the worksheet items, check each line carefully.
Worksheet A (79) $ 0
Worksheet B (80) $ 0
Worksheet C (81) $ 0

82. As of today, what is the net worth of your parents' **investments,** including real estate (not their home)? **See page 2.** $ 3,000

83. As of today, what is the net worth of your parents' current **businesses and/or investment farms**? Do not include a farm that your parents live on and operate. **See page 2.** $ 50,000

84. As of today, what is your parents' total current balance of **cash, savings, and checking accounts**? $ 1,500

Now go to Step Six.

Step Five: Complete this step only if you (the student) answered "Yes" to any question in Step Three.

85. Go to page 7 to determine how many people are in your (and your spouse's) household. ☐☐

86. Go to page 7 to determine how many in question 85 will be college students, attending at least half time between July 1, 2003 and June 30, 2004. ☐

Step Six: Please tell us which schools should receive your information.

Enter the 6-digit federal school code and your housing plans. Look for the federal school codes at **www.fafsa.ed.gov**, at your college financial aid office, at your public library, or by asking your high school guidance counselor. If you cannot get the federal school code, write in the complete name, address, city, and state of the college. For state aid, you may wish to list your preferred school first.

	FEDERAL SCHOOL CODE		NAME OF COLLEGE ADDRESS AND CITY	STATE	HOUSING PLANS
87.	1ST FEDERAL SCHOOL CODE 0 0 2 1 5 3	OR			88. on campus ● 1 off campus ○ 2 with parent ○ 3
89.	2ND FEDERAL SCHOOL CODE 0 0 3 2 5 9	OR			90. on campus ● 1 off campus ○ 2 with parent ○ 3
91.	3RD FEDERAL SCHOOL CODE 0 1 0 3 9 2	OR			92. on campus ● 1 off campus ○ 2 with parent ○ 3
93.	4TH FEDERAL SCHOOL CODE 0 0 2 0 5 3	OR			94. on campus ● 1 off campus ○ 2 with parent ○ 3
95.	5TH FEDERAL SCHOOL CODE 0 0 9 9 9 9	OR			96. on campus ● 1 off campus ○ 2 with parent ○ 3
97.	6TH FEDERAL SCHOOL CODE ☐☐☐☐☐☐	OR			98. on campus ○ 1 off campus ○ 2 with parent ○ 3

99. For contact by internet, provide e-mail address: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ @ ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Step Seven: Please read, sign, and date.

If you are the student, by signing this application you certify that you (1) will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, and (4) will notify your school if you default on a federal student loan.

If you are the parent or the student, by signing this application you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include your U.S. or state income tax forms. Also, you certify that you understand that **the Secretary of Education has the authority to verify information reported on this application with the Internal Revenue Service and other federal agencies**. If you purposely give false or misleading information, you may be fined $20,000, sent to prison, or both.

100. Date this form was completed.

MONTH 0 1 / DAY 1 1 / 2003 ● or 2004 ○

101. Student (Sign below)

1

Parent (A parent from Step Four sign below)

2 Rhonda Bernini

If this form was filled out by someone other than you, your spouse, or your parent(s), that person must complete this part.

Preparer's name, firm, and address

102. Preparer's Social Security Number (or 103) ☐☐☐-☐☐-☐☐☐☐

103. Employer ID number (or 102) ☐☐-☐☐☐☐☐☐☐

104. Preparer's signature and date

3

SCHOOL USE ONLY:

D/O ○ 1

Federal School Code ☐☐☐☐☐☐

FAA SIGNATURE

1

MDE USE ONLY: ○ P ○ * ○ L ○ E

For Help – www.ed.gov/prog_info/SFA/FAFSA

2003-2004 EFC FORMULA A: DEPENDENT STUDENT

REGULAR WORKSHEET
Page 1
A

PARENTS' INCOME IN 2002	
1. Parents' Adjusted Gross Income (FAFSA/SAR #74) (If negative, enter zero.)	
2. a. Father's income earned from work (FAFSA/SAR #77) ______	
2. b. Mother's income earned from work (FAFSA/SAR #78) + ______	
Total parents' income earned from work =	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits: • Total from FAFSA Worksheet A (FAFSA/SAR #79) ______ • Total from FAFSA Worksheet B (FAFSA/SAR #80) + ______	
Total untaxed income and benefits =	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #81) -	
7. **TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2002 U.S. income tax paid (FAFSA/SAR #75) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1. If negative, enter zero.) +	
10. Father's Social Security tax allow. (Table A2) +	
11. Mother's Social Security tax allow. (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $3,000, whichever is less • One-parent families: 35% of earned income, or $3,000, whichever is less • Two-parent families, one working parent: enter zero +	
14. **TOTAL ALLOWANCES** =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** May be a negative number. =	

16. Net worth of investments** (FAFSA/SAR #82) If negative, enter zero.	
17. Net worth of business and/or investment farm (FAFSA/SAR #83) If negative, enter zero.	
18. Adjusted net worth of business/farm (Calculate using Table A4.) +	
19. Cash, savings, & checking (FAFSA/SAR #84) +	
20. **Net worth** (sum of lines 16, 18, and 19) =	
21. Education savings and asset protection allowance (Table A5) -	
22. Discretionary net worth (line 20 minus line 21) =	
23. Asset conversion rate X	.12
24. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

PARENTS' CONTRIBUTION	
Available Income (AI) (from line 15)	
Contribution from assets (from line 24) +	
25. **Adjusted Available Income (AAI)** May be a negative number. =	
26. **Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)	
27. **Number in college in 2003-2004** (Exclude parents) (FAFSA/SAR #66) ÷	
28. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)*** If negative, enter zero. =	

*STOP HERE if **both** of the following are true: line 3 is $15,000 or less, **plus** the student **and** parents are eligible to file a 2002 IRS Form 1040A or 1040EZ (they are not required to file a 2002 Form 1040), or they are not required to file any income tax return. If both circumstances are true, the Expected Family Contribution is automatically zero.

**Do not include the family's home.

***To calculate the parents' contribution for other than 9-month enrollment, see page 11.

BEST COPY AVAILABLE

continued on reverse

REGULAR
WORKSHEET
Page 2

A

29. Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
30. Income earned from work (FAFSA/SAR #42)	
31. Taxable Income (If tax filer, enter the amount from line 29. If non-tax filer, enter the amount from line 30.)	▨
32. Untaxed income and benefits:	▨
Total from FAFSA Worksheet A FAFSA/SAR #44) ________	▨
Total from FAFSA Worksheet B (FAFSA/SAR #45) + ________	▨
Total untaxed income and benefits =	
33. Taxable and untaxed income (sum of line 31 and line 32)	
34. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
35. TOTAL INCOME (line 33 minus line 34) May be a negative number. =	

ALLOWANCES AGAINST STUDENT INCOME	
36. 2002 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
37. State and other tax allowance (Table A7. If negative, enter zero.) +	
38. Social Security tax allowance (Table A2) +	
39. Income protection allowance +	2,380
40. Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.) +	
41. TOTAL ALLOWANCES =	

STUDENT'S CONTRIBUTION FROM INCOME	
Total income (from line 35)	
Total allowances (from line 41) -	
42. Available income (AI) =	
43. Assessment of AI X	.50
44. STUDENT'S CONTRIBUTION FROM AI = If negative, enter zero.	

STUDENT'S CONTRIBUTION FROM ASSETS	
45. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.	
46. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero. +	
47. Cash, savings, & checking (FAFSA/SAR #49) +	
48. **Net worth** (sum of lines 45 through 47) =	
49. Assessment rate X	.35
50. STUDENT'S CONTRIBUTION FROM ASSETS =	

EXPECTED FAMILY CONTRIBUTION	
PARENTS' CONTRIBUTION (from line 28)	
STUDENT'S CONTRIBUTION FROM AI (from line 44) +	
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50) +	
51. EXPECTED FAMILY CONTRIBUTION (standard contribution for 9-month enrollment)** If negative, enter zero. =	

*Do not include the student's home.

** To calculate the EFC for other than 9-month enrollment, see the next page.

2003-2004 EFC FORMULA A: DEPENDENT STUDENT

REGULAR
WORKSHEET
Page 1

A

PARENTS' INCOME IN 2002

1. Parents' Adjusted Gross Income (FAFSA/SAR #74) (If negative, enter zero.)		58000
2. a. Father's income earned from work (FAFSA/SAR #77)	50000	
2. b. Mother's income earned from work (FAFSA/SAR #78) +	9074	
Total parents' income earned from work =		59074
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		58000
4. Untaxed income and benefits:		
• Total from FAFSA Worksheet A (FAFSA/SAR #79)	0	
• Total from FAFSA Worksheet B (FAFSA/SAR #80) +	0	
Total untaxed income and benefits =		0
5. Taxable and untaxed income (sum of line 3 and line 4)		58000
6. Total from FAFSA Worksheet C (FAFSA/SAR #81) -		0
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =		58000

ALLOWANCES AGAINST PARENTS' INCOME

8. 2002 U.S. income tax paid (FAFSA/SAR #75) (tax filers only); if negative, enter zero.	6665
9. State and other tax allowance (Table A1. If negative, enter zero.) +	4640
10. Father's Social Security tax allow. (Table A2) +	3825
11. Mother's Social Security tax allow. (Table A2) +	694
12. Income protection allowance (Table A3) +	18410
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $3,000, whichever is less • One-parent families: 35% of earned income, or $3,000, whichever is less • Two-parent families, one working parent: enter zero +	3000
14. TOTAL ALLOWANCES =	37234

AVAILABLE INCOME

Total income (from line 7)	58000
Total allowances (from line 14) -	37234
15. AVAILABLE INCOME (AI) May be a negative number. =	20766

16. Net worth of investments** (FAFSA/SAR #82) If negative, enter zero.		3000
17. Net worth of business and/or investment farm (FAFSA/SAR #83) If negative, enter zero.	50000	
18. Adjusted net worth of business/farm (Calculate using Table A4.) +		20000
19. Cash, savings, & checking (FAFSA/SAR #84) +		1500
20. Net worth (sum of lines 16, 18, and 19) =		24500
21. Education savings and asset protection allowance (Table A5) -		59600
22. Discretionary net worth (line 20 minus line 21) =		-35100
23. Asset conversion rate X		.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero. =		0

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)	20766
Contribution from assets (from line 24) +	0
25. Adjusted Available Income (AAI) May be a negative number. =	20766
26. Total parents' contribution from AAI (Calculate using Table A6; if negative, enter zero.)	5186
27. Number in college in 2003-2004 (Exclude parents) (FAFSA/SAR #66) ÷	2
28. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)*** If negative, enter zero. =	2593

---

*STOP HERE if both of the following are true: line 3 is $15,000 or less, plus the student and parents are eligible to file a 2002 IRS Form 1040A or 1040EZ (they are not required to file a 2002 Form 1040), or they are not required to file any income tax return. If both circumstances are true, the Expected Family Contribution is automatically zero.

**Do not include the family's home.

***To calculate the parents' contribution for other than 9-month enrollment, see page 11.

continued on reverse

REGULAR
WORKSHEET
Page 2
A

29. Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)		0
30. Income earned from work (FAFSA/SAR #42)		3500
31. Taxable Income (If tax filer, enter the amount from line 29. If non-tax filer, enter the amount from line 30.)		3500
32. Untaxed income and benefits:		▨
Total from FAFSA Worksheet A FAFSA/SAR #44)	0	▨
Total from FAFSA Worksheet B (FAFSA/SAR #45)	+ 0	▨
Total untaxed income and benefits	=	0
33. Taxable and untaxed income (sum of line 31 and line 32)		3500
34. Total from FAFSA Worksheet C (FAFSA/SAR #46)	-	0
35. TOTAL INCOME (line 33 minus line 34) May be a negative number.	=	3500

ALLOWANCES AGAINST STUDENT INCOME		
36. 2002 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.		0
37. State and other tax allowance (Table A7. If negative, enter zero.)	+	175
38. Social Security tax allowance (Table A2)	+	268
39. Income protection allowance	+	2,380
40. Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+	0
41. TOTAL ALLOWANCES	=	2823

STUDENT'S CONTRIBUTION FROM INCOME		
Total income (from line 35)		3500
Total allowances (from line 41)	-	2823
42. Available income (AI)	=	677
43. Assessment of AI	X	.50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	=	339

STUDENT'S CONTRIBUTION FROM ASSETS		
45. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.		0
46. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	+	0
47. Cash, savings, & checking (FAFSA/SAR #49)	+	0
48. Net worth (sum of lines 45 through 47)	=	0
49. Assessment rate	X	.35
50. STUDENT'S CONTRIBUTION FROM ASSETS	=	0

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 28)		2593
STUDENT'S CONTRIBUTION FROM AI (from line 44)	+	339
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50)	+	0
51. EXPECTED FAMILY CONTRIBUTION (standard contribution for 9-month enrollment)** If negative, enter zero.	=	2932

*Do not include the student's home.

** To calculate the EFC for other than 9-month enrollment, see the next page.

UNITED STATES DEPARTMENT OF EDUCATION

1-800-4-FED-AID (1-800-433-3243 or TTY: 1-800-730-8913)
We Help Put America Through School
www.fafsa.ed.gov

OMB No. 1845-0008
Form Pending

000117C041

CHRISTOPHER E. STUDENT
1234 ABCDEFGHIJKLMNOPQRSTUVXYZABCDE
ABCDEFGHIJKLMNOPQ, MD 12345

June 27, 2003
EFC: 00000 * C

Dear CHRISTOPHER E. STUDENT,

Thank you for submitting your information for federal student aid to the U.S. Department of Education.

This is your Student Aid Report (SAR) for the **2003-2004** award year. Keep a copy of this SAR for your records.

You (the Student)

Here is where you are this year in the process of applying for student financial aid:

1. You applied for financial aid by completing a Free Application for Federal Student Aid (FAFSA).
2. **Now you should check your SAR information. If it is correct, you do not need to return it to us.**
3. * You will be asked by your school(s) to provide copies of certain financial documents to verify information you reported on your application.

U.S. Department of Education

Here is where we are in collecting, processing, and storing your information for the 2003-2004 award year:

1. We received your information and processed it. Our results are below.
2. We sent your information and our results to you and the school(s) you listed in Step 6.
3. We will update your federal student aid record with any changes you make.

Based on the information you have submitted, we have used the standard formula to calculate your EFC, which is 00000. Your school will use this number to determine what types of aid and how much you are eligible for based on your educational costs.

School(s)

Here are the steps your school(s) will take to put together your 2003-2004 financial aid package:

1. Your school(s) received your information and our results.
2. Your school(s) will ask you to verify your information.
3. Your school(s) may put together or change an aid package and notify you.

The amount of aid you receive from your school(s) will depend on the cost of attendance at your school(s), your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors. Review your financial aid notification from your school(s) or contact your financial aid administrator.

Now go to page 3 to see what you need to do next.

DRN: 2401
X9XX99999 999

PAGE 1 OF 8

1 2 3 4 5 6 7 8 9 S T 0 1

2003-2004 Student Aid Report (SAR)

THE OFFICE OF MANAGEMENT & BUDGET WANTS YOU TO KNOW:

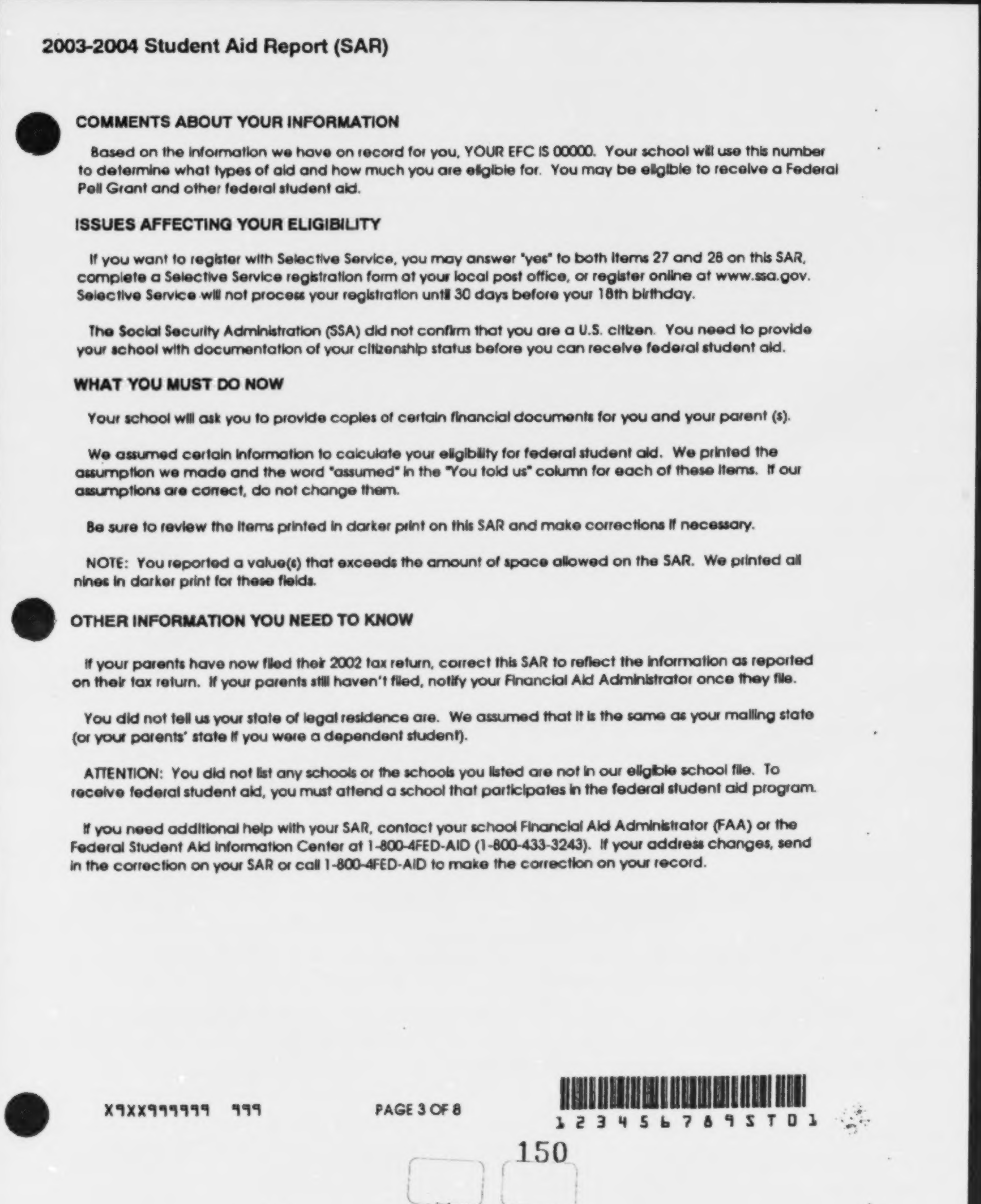
- According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0008. The time required to complete this information collection is estimated to be an average of 15 to 30 minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collected. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044.

- By answering questions 87 through 98, and signing the Free Application for Federal Student Aid, you give permission to the U.S. Department of Education to provide information from your application to the college(s) listed in Step Six. You also agree that such information is deemed to incorporate by reference the certification statement in Step Seven of the financial aid application.

WARNING: If you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination. If your drug conviction status changes at any time during the 2003-2004 award year, you must update your answer to question 35.

For Financial Aid Office Use Only

```
This information will be used by your Financial Aid Administrator
to determine your eligibility for student aid.

 SAR C Flag: C               Dependency Status: I             Reprocessing Code: X
 Application Source: 5       System Generated Indicator: X    Rejects Met: X
 Record Source Type: R       Dependency Override: X           Application Receipt Date: 06/19/2000
 Processed Record Type: X    Early Analysis Flag: X           Transaction Receipt Date: 06/19/2000
 Verification Flag: Y        FAA Adjustment: X                Subsequent Application Flag: X

 MONTHS:           1     2     3     4     5     6     7     8     9     10    11    12
 PRIMARY EFC:    00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000
 SECONDARY EFC:  00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000 00000
 PC:   99999
 SIC:  99999

 Auto Zero EFC Flag:        SNT Flag: N     Pell Eligible Flag: Y

 MATCH FLAGS:
    SSN Match Flag: 4         Selective Service Registration Flag: X      Selective Service Match: X
    INS Match Flag: X         INS Verification #: XXXXXXXXXXXXXXX         SSA Citizenship Code: X
    INS Sec. Conf. Flag: X    NSLDS Database Results Flag: 1              NSLDS Transaction Number: 01
    NSLDS Match Flag: 2       VA Match Flag: 1

 COMMENTS: 001 002 003 004 005 006 007 008 009 010 011 012 013 014 015 016 017 018 019 020
```



2003-2004 Student Aid Report (SAR)

COMMENTS ABOUT YOUR INFORMATION

Based on the information we have on record for you, YOUR EFC IS 00000. Your school will use this number to determine what types of aid and how much you are eligible for. You may be eligible to receive a Federal Pell Grant and other federal student aid.

ISSUES AFFECTING YOUR ELIGIBILITY

If you want to register with Selective Service, you may answer "yes" to both items 27 and 28 on this SAR, complete a Selective Service registration form at your local post office, or register online at www.ssa.gov. Selective Service will not process your registration until 30 days before your 18th birthday.

The Social Security Administration (SSA) did not confirm that you are a U.S. citizen. You need to provide your school with documentation of your citizenship status before you can receive federal student aid.

WHAT YOU MUST DO NOW

Your school will ask you to provide copies of certain financial documents for you and your parent (s).

We assumed certain information to calculate your eligibility for federal student aid. We printed the assumption we made and the word "assumed" in the "You told us" column for each of these items. If our assumptions are correct, do not change them.

Be sure to review the items printed in darker print on this SAR and make corrections if necessary.

NOTE: You reported a value(s) that exceeds the amount of space allowed on the SAR. We printed all nines in darker print for these fields.

OTHER INFORMATION YOU NEED TO KNOW

If your parents have now filed their 2002 tax return, correct this SAR to reflect the information as reported on their tax return. If your parents still haven't filed, notify your Financial Aid Administrator once they file.

You did not tell us your state of legal residence are. We assumed that it is the same as your mailing state (or your parents' state if you were a dependent student).

ATTENTION: You did not list any schools or the schools you listed are not in our eligible school file. To receive federal student aid, you must attend a school that participates in the federal student aid program.

If you need additional help with your SAR, contact your school Financial Aid Administrator (FAA) or the Federal Student Aid Information Center at 1-800-4FED-AID (1-800-433-3243). If your address changes, send in the correction on your SAR or call 1-800-4FED-AID to make the correction on your record.

X9XX999999 999 PAGE 3 OF 8 1 2 3 4 5 6 7 8 9 S T 0 1

150

2003-2004 Student Aid Report (SAR)

You may need this information to answer Question 29 on page 6.

Codes for Question 29: TYPE OF DEGREE/CERTIFICATE

1 - 1st Bachelor's degree
2 - 2nd Bachelor's degree
3 - Associate degree (occupational or technical program)
4 - Associate degree (general education or transfer program)
5 - Certificate or diploma for completing an occupational, technical, or educational program less than two years
6 - Certificate or diploma for completing an occupational, technical, or educational program of at least two years
7 - Teaching credential program (non-degree program)
8 - Graduate or professional degree
9 - Other/Undecided

If you need a copy of the worksheets used to answer questions 44-46 or 79-81, you can go to the U.S. Department of Education's web page (www.fafsa.ed.gov/worksheets.htm).

Your Financial Aid History Information

Total Loan Amounts:

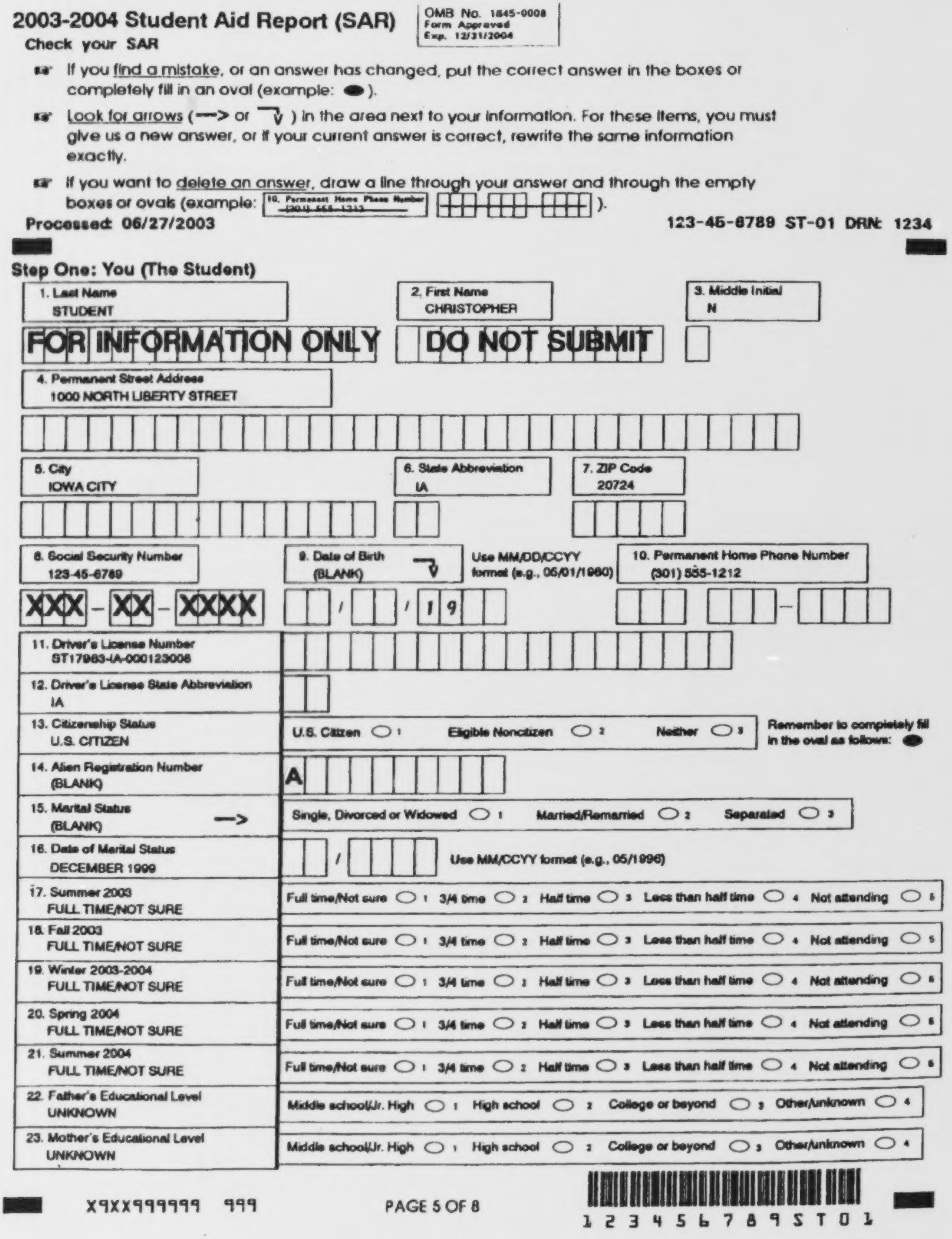
FFELP/Direct loans:	Total principal balance:	Remaining amount to be disbursed to you:	Total:
Subsidized loans:	$ 123,456	$ 123,456	$ 123,456
Unsubsidized loans:	$ 123,456	$ 123,456	$ 123,456
Combined loans:	$ 123,456	$ 123,456	$ 123,456
FFEL Consolidation loans:	$ 123,456		$ 123,456

Perkins loans:

Outstanding principal balance:	$ 123,456
Current year loan amount:	$ 123,456

Defaulted/Discharged Loan Detail Information:	Net loan amount	Loan begin date	Loan end date	Grade level
Loan type: FFEL Stafford Unsubsidized	$ 123,456	08/30/1999	05/14/2000	2
Status code ID as of 08/30/1999 Outstanding balance $ 123,456 as of 03/31/2000				
Loan type: FFEL Stafford Subsidized	$ 123,456	08/30/1999	05/14/2000	2
Status code ID as of 08/30/1999 Outstanding balance $ 123,456 as of 03/31/2000				
Loan type: Federal Perkins	$ 123,456	08/30/1999	05/14/2000	2
Status code DU as of 12/23/96 Outstanding balance $ 123,456 as of 09/29/1988				
Loan type: FFEL Stafford Unsubsidized	$ 123,456	08/30/1999	05/14/2000	2
Status code DU as of 04/06/1996 Outstanding balance $ 123,456 as of 08/26/1999				

Use your U.S. Department of Education PIN to see more information about your financial aid history at www.nslds.ed.gov on the Internet. For more information about your PIN, go to www.pin.ed.gov



2003-2004 Student Aid Report (SAR)

OMB No. 1845-0008
Form Approved
Exp. 12/31/2004

Check your SAR

- If you find a mistake, or an answer has changed, put the correct answer in the boxes or completely fill in an oval (example: ●).
- Look for arrows (—> or ↴) in the area next to your information. For these items, you must give us a new answer, or if your current answer is correct, rewrite the same information exactly.
- If you want to delete an answer, draw a line through your answer and through the empty boxes or ovals (example: 10. Permanent Home Phone Number ~~(301) 555-1212~~).

Processed: 06/27/2003 **123-45-6789 ST-01 DRN: 1234**

Step One: You (The Student)

1. Last Name: STUDENT
2. First Name: CHRISTOPHER
3. Middle Initial: N

FOR INFORMATION ONLY DO NOT SUBMIT

4. Permanent Street Address: 1000 NORTH LIBERTY STREET
5. City: IOWA CITY
6. State Abbreviation: IA
7. ZIP Code: 20724
8. Social Security Number: 123-45-6789 — XXX - XX - XXXX
9. Date of Birth ↴ (BLANK) — Use MM/DD/CCYY format (e.g., 05/01/1960) — / / 19
10. Permanent Home Phone Number: (301) 555-1212

11. Driver's License Number ST17963-IA-000123006	
12. Driver's License State Abbreviation IA	
13. Citizenship Status U.S. CITIZEN	U.S. Citizen ○ 1 Eligible Noncitizen ○ 2 Neither ○ 3
14. Alien Registration Number (BLANK)	A
15. Marital Status (BLANK) —>	Single, Divorced or Widowed ○ 1 Married/Remarried ○ 2 Separated ○ 3
16. Date of Marital Status DECEMBER 1999	/ Use MM/CCYY format (e.g., 05/1996)
17. Summer 2003 FULL TIME/NOT SURE	Full time/Not sure ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
18. Fall 2003 FULL TIME/NOT SURE	Full time/Not sure ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
19. Winter 2003-2004 FULL TIME/NOT SURE	Full time/Not sure ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
20. Spring 2004 FULL TIME/NOT SURE	Full time/Not sure ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
21. Summer 2004 FULL TIME/NOT SURE	Full time/Not sure ○ 1 3/4 time ○ 2 Half time ○ 3 Less than half time ○ 4 Not attending ○ 5
22. Father's Educational Level UNKNOWN	Middle school/Jr. High ○ 1 High school ○ 2 College or beyond ○ 3 Other/unknown ○ 4
23. Mother's Educational Level UNKNOWN	Middle school/Jr. High ○ 1 High school ○ 2 College or beyond ○ 3 Other/unknown ○ 4

Remember to completely fill in the oval as follows: ●

X9XX999999 999 PAGE 5 OF 8 123456789ST01

BEST COPY AVAILABLE

You Told Us	Write in Information for New or Corrected Items only.
24. State of Legal Residence Abbreviation MD	☐☐
25. Did you become a legal resident of this state before January 1, 1998? YES	Yes ○ 1 No ○ 2
26. If you answered "No" to question 25, date you became a legal resident. (BLANK)	☐☐ / ☐☐☐☐ Use MM/CCYY format (e.g., 05/1980)
27. Are you male? YES	Yes ○ 1 No ○ 2
28. If you are male (age 18-25) and not registered, answer "Yes" and Selective Service will register you. YES	Yes ○ 1 No ○ 2
29. Type of Degree/Certificate 1ST BA	☐ Enter Code from Page 4
30. Grade Level in College in 2003-2004? 2ND/SOPHOMORE	1st Never Attended....... ○ 0 2nd/Sophomore ○ 2 4th/Senior.. ○ 4 1st Yr. Graduate/Professional ○ 6 1st Previously Attended ○ 1 3rd/Junior....... ○ 3 5th or More ○ 5 Cont. Graduate/Professional ○ 7

You Told Us	Write in Information for New or Corrected Items only.
31. High School Diploma or GED? YES	Yes ○ 1 No ○ 2
32. First Bachelor's Degree by 7-1-2003? NO	Yes ○ 1 No ○ 2
33. Interested in Student Loans? YES	Yes ○ 1 No ○ 2
34. Interested in Work-Study? NO	Yes ○ 1 No ○ 2
35. Drug Conviction Affecting Eligibility? (BLANK) DO NOT LEAVE THIS QUESTION BLANK	No....................... ○ 1 Yes (Part-Year).... ○ 2 Yes/Don't Know... ○ 3

Step Two: 2002 Student (and Spouse) Income and Assets

For 36-49, report your (the student's) income and assets. If you are married, report your and your spouse's income and assets, even if you were not married in 2002. Ignore references to "spouse" if you are currently single, separated, divorced, or widowed. Remember to completely fill in the oval as follows: ●

36. Filed 2002 Income Tax Return ALREADY COMPLETED	Have already completed ○ 1 Will file, have not yet completed ○ 2 Not going to file. ○ 3
37. Type of 2002 Tax Form Used 1040	A. IRS 1040............................ ○ 1 B. IRS 1040A, 1040 EZ, 1040 Telefile...................... ○ 2 C. A foreign tax return.......... ○ 3 D. A tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau... ○ 4
38. If you filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? (BLANK)	Yes ○ 1 No ○ 2 Don't Know ○ 3

For 39-51 (Student's Info.) and 74-84 (Parent's Info.), if the answer is zero or the question does not apply to you, enter 0. Report dollar amounts (such as $12,356.00) like this: **EXAMPLE** ➡ $ ☐1 2, 3 5 6 (no cents)

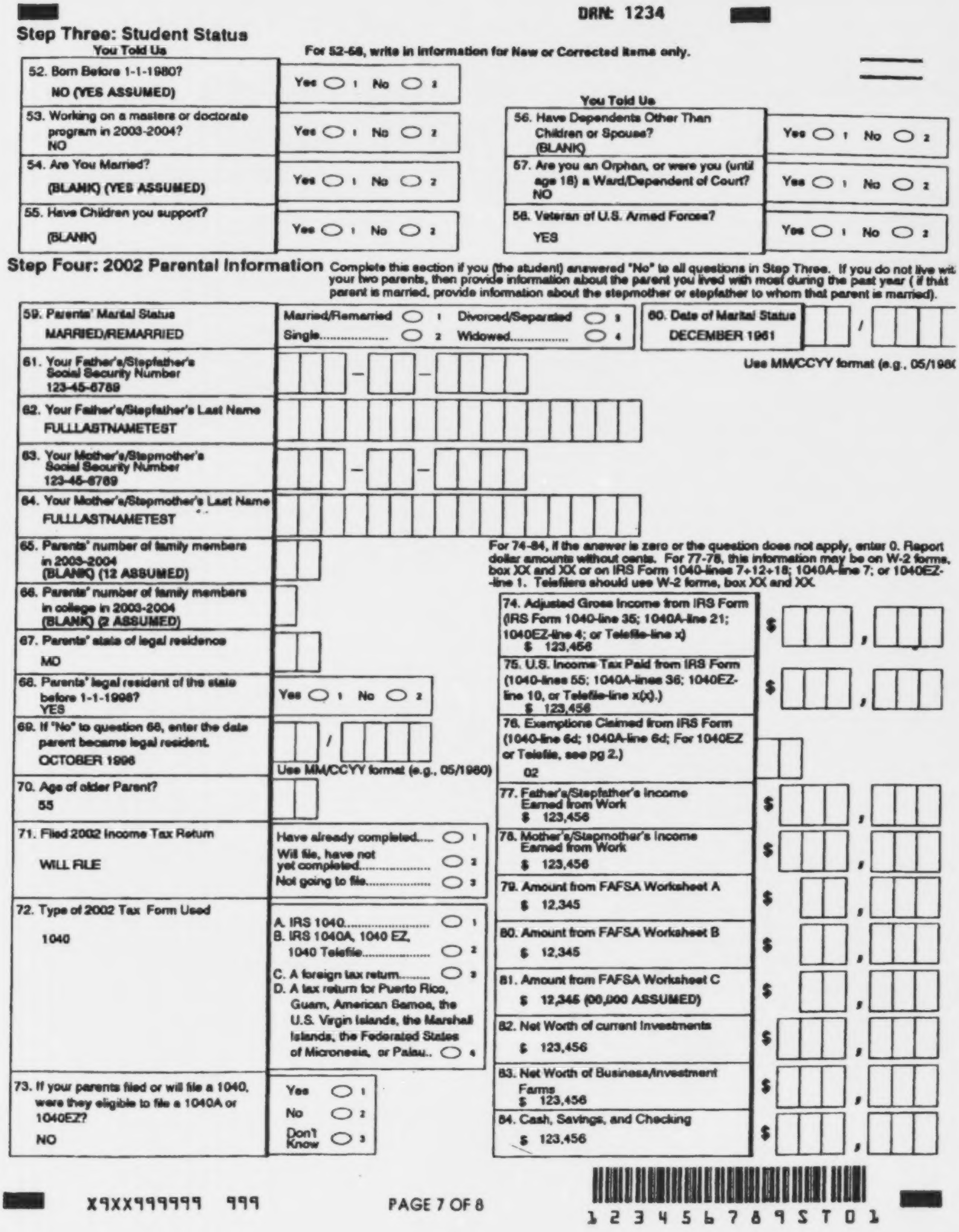
39. Adjusted Gross Income from IRS Form (IRS Form 1040-line 35; 1040A-line 21; 1040EZ-line 4; or Telefile-line x.) $ (BLANK) (999,999 ASSUMED)	$ ☐☐☐, ☐☐☐
40. U.S. Income Tax Paid from IRS Form (1040-line 55; 1040A-line 36; 1040EZ-line 10; or Telefile-line x(x).) $ (BLANK) (00,000 ASSUMED)	$ ☐☐, ☐☐☐
41. Exemptions Claimed from IRS Form (1040-line 6d; 1040A-line 6d; For 1040EZ or Telefile, see pg 2.) 02	☐☐

For 42-43, answer the questions whether or not you filed a tax return. This information may be on your W-2 forms, box XX and XX or on IRS Form 1040-lines 7+12+18; 1040A-line 7; or 1040EZ-Line 1. Telefilers should use their W-2 forms, box XX and XX.

42. Student's Income Earned from Work $ (BLANK) (999,999 ASSUMED)	$ ☐☐☐, ☐☐☐
43. Spouse's Income Earned from Work $ (BLANK) (999,999 ASSUMED)	$ ☐☐☐, ☐☐☐
44. Amount from FAFSA Worksheet A $ 12,345	$ ☐☐, ☐☐☐
45. Amount from FAFSA Worksheet B $ 12,345	$ ☐☐, ☐☐☐
46. Amount from FAFSA Worksheet C $ 12,345 (00,000 ASSUMED)	$ ☐☐, ☐☐☐
47. Net Worth of current Investments $ 123,456	$ ☐☐☐, ☐☐☐
48. Net Worth of Business/Investment Farms $ 123,456	$ ☐☐☐, ☐☐☐
49. Cash, Savings and Checking $ 123,456	$ ☐☐☐, ☐☐☐
50. How many Months Receive VA Education Benefits? 00	☐☐
51. Monthly VA Benefits Amount $ 1,234	$ ☐, ☐☐☐

X9XX999999 999 PAGE 6 OF 8

1 2 3 4 5 6 7 8 9 S T 0 1



DRN: 1234

Step Three: Student Status

For 52-58, write in information for New or Corrected items only.

You Told Us	
52. Born Before 1-1-1980? NO (YES ASSUMED)	Yes ○ 1 No ○ 2
53. Working on a masters or doctorate program in 2003-2004? NO	Yes ○ 1 No ○ 2
54. Are You Married? (BLANK) (YES ASSUMED)	Yes ○ 1 No ○ 2
55. Have Children you support? (BLANK)	Yes ○ 1 No ○ 2

You Told Us	
56. Have Dependents Other Than Children or Spouse? (BLANK)	Yes ○ 1 No ○ 2
57. Are you an Orphan, or were you (until age 18) a Ward/Dependent of Court? NO	Yes ○ 1 No ○ 2
58. Veteran of U.S. Armed Forces? YES	Yes ○ 1 No ○ 2

Step Four: 2002 Parental Information

Complete this section if you (the student) answered "No" to all questions in Step Three. If you do not live wit your two parents, then provide information about the parent you lived with most during the past year (if that parent is married, provide information about the stepmother or stepfather to whom that parent is married).

59. Parents' Marital Status MARRIED/REMARRIED	Married/Remarried ○ 1 Divorced/Separated ○ 3 Single.................... ○ 2 Widowed................ ○ 4
60. Date of Marital Status DECEMBER 1961	/ Use MM/CCYY format (e.g., 05/198
61. Your Father's/Stepfather's Social Security Number 123-45-6789	- -
62. Your Father's/Stepfather's Last Name FULLLASTNAMETEST	
63. Your Mother's/Stepmother's Social Security Number 123-45-6789	- -
64. Your Mother's/Stepmother's Last Name FULLLASTNAMETEST	
65. Parents' number of family members in 2003-2004 (BLANK) (12 ASSUMED)	
66. Parents' number of family members in college in 2003-2004 (BLANK) (2 ASSUMED)	
67. Parents' state of legal residence MD	
68. Parents' legal resident of the state before 1-1-1998? YES	Yes ○ 1 No ○ 2
69. If "No" to question 68, enter the date parent became legal resident. OCTOBER 1996	/ Use MM/CCYY format (e.g., 05/1980)
70. Age of older Parent? 55	
71. Filed 2002 Income Tax Return WILL FILE	Have already completed..... ○ 1 Will file, have not yet completed.................. ○ 2 Not going to file.................... ○ 3
72. Type of 2002 Tax Form Used 1040	A. IRS 1040......................... ○ 1 B. IRS 1040A, 1040 EZ, 1040 Telefile...................... ○ 2 C. A foreign tax return......... ○ 3 D. A tax return for Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.. ○ 4
73. If your parents filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? NO	Yes ○ 1 No ○ 2 Don't Know ○ 3

For 74-84, if the answer is zero or the question does not apply, enter 0. Report dollar amounts without cents. For 77-78, this information may be on W-2 forms, box XX and XX or on IRS Form 1040-lines 7+12+18; 1040A-line 7; or 1040EZ-line 1. Telefilers should use W-2 forms, box XX and XX.

74. Adjusted Gross Income from IRS Form (IRS Form 1040-line 35; 1040A-line 21; 1040EZ-line 4; or Telefile-line x) $ 123,456	$,
75. U.S. Income Tax Paid from IRS Form (1040-lines 55; 1040A-lines 36; 1040EZ-line 10, or Telefile-line x(x).) $ 123,456	$,
76. Exemptions Claimed from IRS Form (1040-line 6d; 1040A-line 6d; For 1040EZ or Telefile, see pg 2.) 02	
77. Father's/Stepfather's Income Earned from Work $ 123,456	$,
78. Mother's/Stepmother's Income Earned from Work $ 123,456	$,
79. Amount from FAFSA Worksheet A $ 12,345	$,
80. Amount from FAFSA Worksheet B $ 12,345	$,
81. Amount from FAFSA Worksheet C $ 12,345 (00,000 ASSUMED)	$,
82. Net Worth of current Investments $ 123,456	$,
83. Net Worth of Business/Investment Farms $ 123,456	$,
84. Cash, Savings, and Checking $ 123,456	$,

X9XX999999 999 PAGE 7 OF 8

1 2 3 4 5 6 7 8 9 S T 0 1

154

BEST COPY AVAILABLE

Step Five: Student's Household Information

85. Number of Family Members in 2003-2004
02

86. Number in College in 2003-2004
2

Housing Plans:
1 – on campus
2 – off campus
3 – with parent

Step Six: Student's School Information

You Told Us	NEW Federal School Code or NEW College Name, City, State		
87. First College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			88. Housing Plans WITH PARENT
89. Second College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			90. Housing Plans ON CAMPUS
91. Third College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			92. Housing Plans OFF CAMPUS
93. Fourth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			94. Housing Plans (BLANK)
95. Fifth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			96. Housing Plans (BLANK)
97. Sixth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ			98. Housing Plans (BLANK)

99. Student's E-mail Address
CHRISTOPHERESTUDENT_UNIVOFMARYLAND.COLLGPRK@ED.GOV

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ @ ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

100. Date Completed JANUARY 10, 2003	DO NOT CORRECT
101. Signed By? STUDENT	DO NOT CORRECT
102. Preparer's Social Security Number REPORTED	☐☐☐ – ☐☐ – ☐☐☐☐
103. Preparer's EIN REPORTED	☐☐ – ☐☐☐☐☐☐☐
104. Preparer's Signature SIGNED	

If this form was filled out by someone other than you, your spouse, or your parent(s), that person must complete this part.

Application Receipt Date: 01/15/2003

Step Seven: Please read, sign, and date

You must read and sign this Certification.

Certification:

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. The proof might include a copy of the 2002 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $20,000 fine, a prison sentence, or both.

If you made no changes:

- Do NOT send your SAR to either address given on this page.
- Follow the instructions on your SAR. You may need to contact your school.

If you made changes:

- You may make corrections from the U.S. Department of Education's web page (www.fafsa.ed.gov). You must use your PIN to access your record.

OR

- Read and Sign the Certification statement to the right.
- Send pages 5-8 to: Federal Student Aid Programs
P.O. Box 7004
Mt. Vernon, IL 62864-0074

Student Signature (Required to process your application. Sign in box below.)

1 Student Date

CHRISTOPHER E. STUDENT

Parent Signature (one parent whose information is provided in Step Four)

2 Parent Date

MDE Use Only

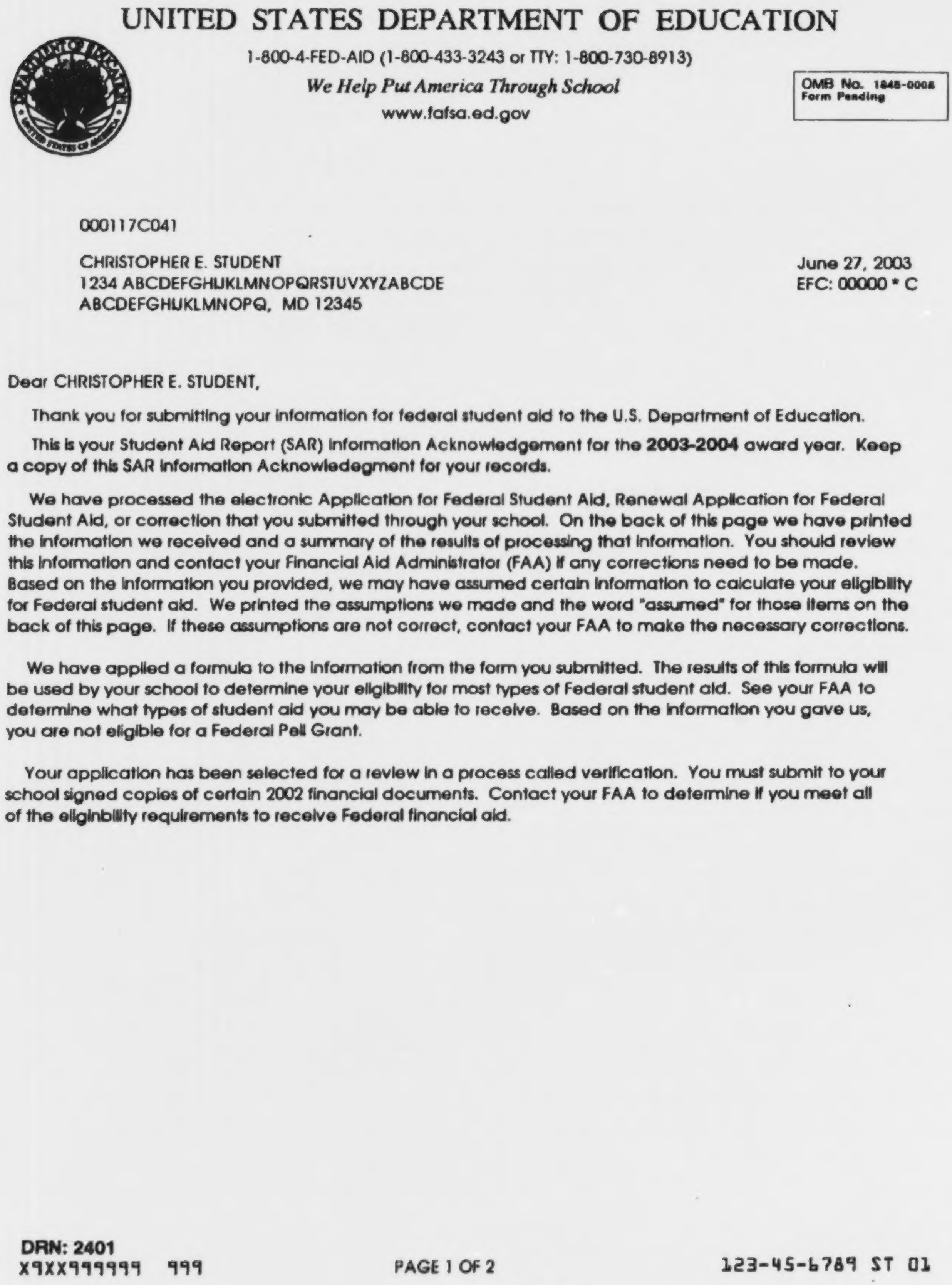
○ P ○ * ○ L ○ E

If you need another copy of you SAR:

- Include your name, social security number, and signature.
- Write to: Federal Student Aid Programs
P.O. Box 7005
Mt. Vernon, IL 62864-0075

1 2 3 4 5 6 7 8 9 S T 0 1

BEST COPY AVAILABLE



UNITED STATES DEPARTMENT OF EDUCATION

1-800-4-FED-AID (1-800-433-3243 or TTY: 1-800-730-8913)
We Help Put America Through School
www.fafsa.ed.gov

OMB No. 1845-0008
Form Pending

000117C041

CHRISTOPHER E. STUDENT
1234 ABCDEFGHIJKLMNOPQRSTUVXYZABCDE
ABCDEFGHIJKLMNOPQ, MD 12345

June 27, 2003
EFC: 00000 * C

Dear CHRISTOPHER E. STUDENT,

Thank you for submitting your information for federal student aid to the U.S. Department of Education.

This is your Student Aid Report (SAR) Information Acknowledgement for the **2003-2004** award year. Keep a copy of this SAR Information Acknowledegment for your records.

We have processed the electronic Application for Federal Student Aid, Renewal Application for Federal Student Aid, or correction that you submitted through your school. On the back of this page we have printed the information we received and a summary of the results of processing that information. You should review this information and contact your Financial Aid Administrator (FAA) if any corrections need to be made. Based on the information you provided, we may have assumed certain information to calculate your eligibility for Federal student aid. We printed the assumptions we made and the word "assumed" for those items on the back of this page. If these assumptions are not correct, contact your FAA to make the necessary corrections.

We have applied a formula to the information from the form you submitted. The results of this formula will be used by your school to determine your eligibility for most types of Federal student aid. See your FAA to determine what types of student aid you may be able to receive. Based on the information you gave us, you are not eligible for a Federal Pell Grant.

Your application has been selected for a review in a process called verification. You must submit to your school signed copies of certain 2002 financial documents. Contact your FAA to determine if you meet all of the eliginbility requirements to receive Federal financial aid.

DRN: 2401
X9XX999999 999

PAGE 1 OF 2

123-45-6789 ST 01

This section contains information from your student aid application (shaded items display parents' information, if provided). If you need to make corrections, see the financial aid administrator at your school.

1. LAST NAME	ABCDEFGHIJKLMNOP
2. FIRST NAME	ABCDEFGHIJKL
3. MIDDLE INITIAL	A
4. PERMANENT STREET ADDRESS	12345 ABCDEFGHIJKLMNOPQRSTUVWXYZABC
5. CITY	ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION	AB
7. ZIP CODE	12345
8. SOCIAL SECURITY NUMBER	123-45-6789
9. DATE OF BIRTH	JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER	(999) 999-9999
11. DRIVER'S LICENSE NUMBER	A-1234-456-789-012-34
12. DRIVER'S LICENSE STATE ABBREVIATION	AB
13. CITIZENSHIP STATUS	(ELIG. NONCIT ASSUMED)
14. ALIEN REGISTRATION NUMBER	123456789
15. MARITAL STATUS	(MARRIED ASSUMED)
16. DATE OF MARITAL STATUS	JANUARY 1992
17. ENROLLMENT STATUS SUMMER 2003	FULLTIME/NOT SURE
18. ENROLLMENT STATUS FALL 2003	LESS THAN 1/2 TIME
19. ENROLLMENT STATUS WINTER 2003-2004	LESS THAN 1/2 TIME
20. ENROLLMENT STATUS SPRING 2004	LESS THAN 1/2 TIME
21. ENROLLMENT STATUS SUMMER 2004	LESS THAN 1/2 TIME
22. FATHER'S EDUCATIONAL LEVEL	COLLEGE OR BEYOND
23. MOTHER'S EDUCATIONAL LEVEL	COLLEGE OR BEYOND
24. STATE OF LEGAL RESIDENCE ABBREVIATION	AB
25. LEGAL RESIDENT BEFORE JANUARY 1, 1998?	(BLANK)
26. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 1961
27. ARE YOU MALE?	(BLANK)
28. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
29. TYPE OF DEGREE/CERTIFICATE	1ST BA
30. GRADE LEVEL IN COLLEGE IN 2003-2004	1ST PREVIOUSLY ATTENDED
31. HIGH SCHOOL DIPLOMA OR GED?	(BLANK)
32. FIRST BACHELOR'S DEGREE BY 7-1-2003?	(BLANK)
33. INTERESTED IN STUDENT LOANS?	(BLANK)
34. INTERESTED IN WORK-STUDY?	(BLANK)
35. DRUG CONVICTION AFFECTING ELIGIBILITY?	YES/DON'T KNOW
36. FILED 2002 IRS INCOME TAX RETURN	WILL FILE
37. TYPE OF 2002 TAX FORM USED	U.S. TRUST TERRITORY
38. ELIGIBLE TO FILE A 1040A OR 1040EZ?	(BLANK)
39. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
40. U.S. INCOME TAX PAID	$ (12,345 ASSUMED)
41. EXEMPTIONS CLAIMED	00
42. STUDENT'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
43. SPOUSE'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
44. AMOUNT FROM FAFSA WORKSHEET A	$ 12,345
45. AMOUNT FROM FAFSA WORKSHEET B	$ 12,345
46. AMOUNT FROM FAFSA WORKSHEET C	$ (12,345 ASSUMED)
47. NET WORTH OF CURRENT INVESTMENTS	$ 123,456
48. NET WORTH OF BUSINESS/INVESTMENT FARMS	$ 123,456
49. CASH, SAVINGS, AND CHECKING	$ 123,456
50. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
51. MONTHLY VA EDUCATION BENEFITS AMOUNT	$ (1,234 ASSUMED)
52. BORN BEFORE 1-1-1980?	(YES ASSUMED)
53. WORKING ON MASTERS OR DOCTORATE?	(BLANK)
54. ARE YOU MARRIED?	(YES ASSUMED)
55. HAVE CHILDREN YOU SUPPORT?	(BLANK)
56. DEPENDENTS OTHER THAN CHILDREN/SPOUSE?	(BLANK)
57. ORPHAN OR WARD OF COURT?	(BLANK)
58. VETERAN OF U.S. ARMED FORCES?	(BLANK)
59. PARENTS' MARITAL STATUS	(MARRIED ASSUMED)
60. PARENTS' DATE OF MARITAL STATUS	DECEMBER 1962
61. YOUR FATHER'S SOCIAL SECURITY NUMBER	123-45-6789
62. YOUR FATHER'S LAST NAME	ABCDEFGHIJKLMNOP
63. YOUR MOTHER'S SOCIAL SECURITY NUMBER	123-45-6789
64. YOUR MOTHER'S LAST NAME	ABCDEFGHIJKLMNOP
65. NUMBER OF FAMILY MEMBERS IN 2003-2004	(02 ASSUMED)
66. NUMBER IN COLLEGE IN 2003-2004	(1 ASSUMED)
67. PARENTS' STATE OF LEGAL RESIDENCE	AB
68. LEGAL RESIDENT BEFORE JANUARY 1, 1998?	(BLANK)
69. DATE PARENTS' BECAME LEGAL RESIDENT	DECEMBER 1942
70. AGE OF OLDER PARENT	99
71. PARENT(S) FILED 2002 INCOME TAX RETURN	WILL FILE
72. TYPE OF 2002 TAX FORM USED	U.S. TRUST TERRITORY
73. ELIGIBLE TO FILE A 1040A OR 1040EZ?	(BLANK)
74. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
75. U.S. INCOME TAX PAID	$ (123,456 ASSUMED)
76. EXEMPTIONS CLAIMED	00
77. FATHER'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
78. MOTHER'S INCOME EARNED FROM WORK	$ (123,456 ASSUMED)
79. AMOUNT FROM FAFSA WORKSHEET A	$ 12,345
80. AMOUNT FROM FAFSA WORKSHEET B	$ 12,345
81. AMOUNT FROM FAFSA WORKSHEET C	$ (12,345 ASSUMED)
82. NET WORTH OF CURRENT INVESTMENTS	$ 123,456
83. NET WORTH OF BUSINESS/INVESTMENT FARMS	$ 123,456
84. CASH, SAVINGS, AND CHECKING	$ 123,456
85. NUMBER OF FAMILY MEMBERS IN 2003-2004	(02 ASSUMED)
86. NUMBER IN COLLEGE IN 2003-2004	(1 ASSUMED)
87. FIRST COLLEGE NAME	0123456789012345678901234567890123456
88. FIRST HOUSING PLANS	WITH PARENT
89. SECOND COLLEGE NAME	0123456789012345678901234567890123456
90. SECOND HOUSING PLANS	WITH PARENT
91. THIRD COLLEGE NAME	0123456789012345678901234567890123456
92. THIRD HOUSING PLANS	WITH PARENT
93. FOURTH COLLEGE NAME	0123456789012345678901234567890123456
94. FOURTH HOUSING PLANS	WITH PARENT
95. FIFTH COLLEGE NAME	0123456789012345678901234567890123456
96. FIFTH HOUSING PLANS	WITH PARENT
97. SIXTH COLLEGE NAME	0123456789012345678901234567890123456
98. SIXTH HOUSING PLANS	WITH PARENT
99. E-MAIL	CHRISTOPHERESTUDENT_UNIVOFMARYLAND.COLLGPRKPED.GOV
100. DATE COMPLETED	JANUARY 1, 2003
101. SIGNED BY	STUDENT AND PARENT
102. PREPARER'S SOCIAL SECURITY NUMBER	REPORTED
103. PREPARER'S EIN	REPORTED
104. PREPARER'S SIGNATURE	SIGNED

For Financial Aid Office Use Only

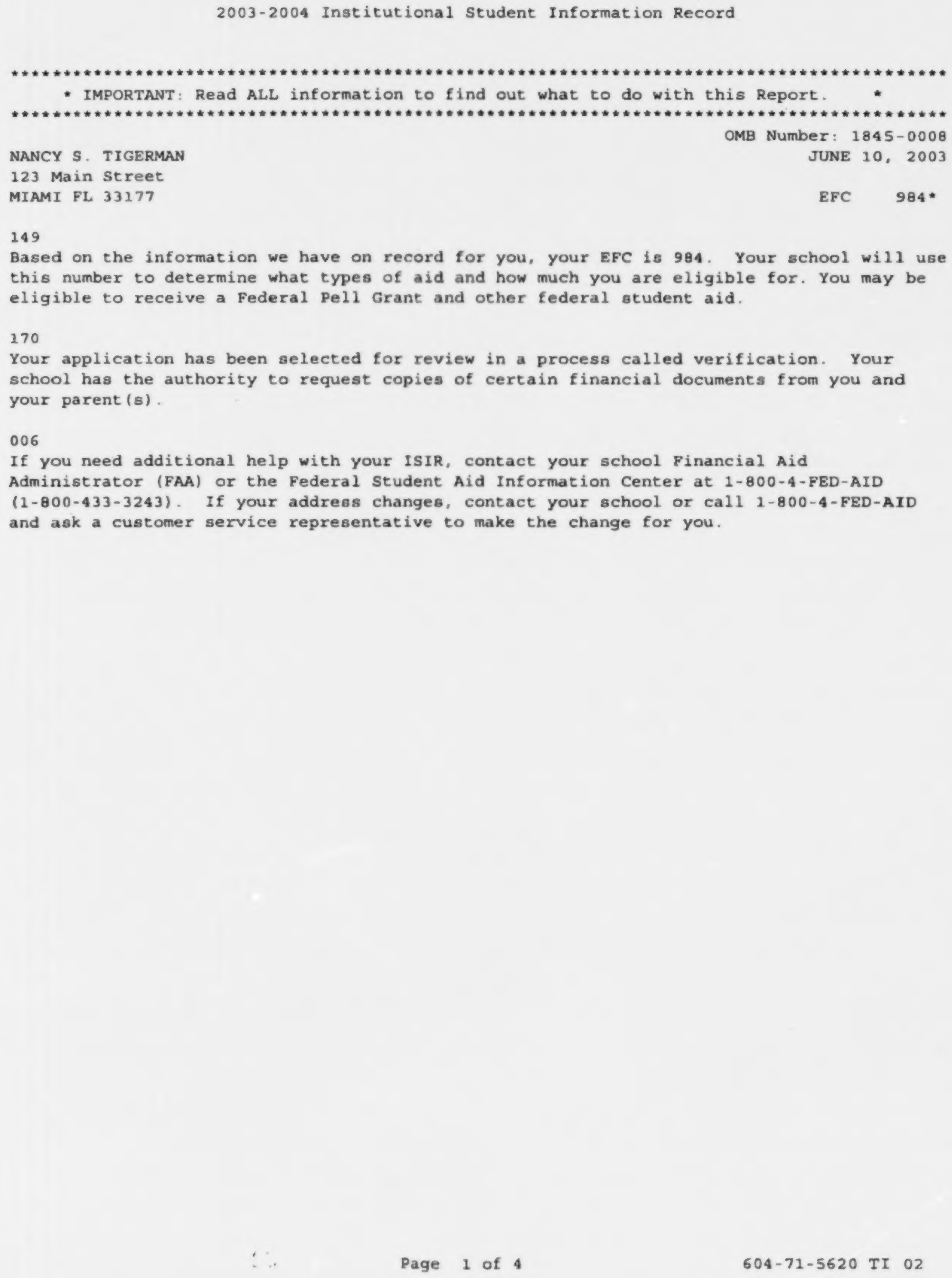
Record Source Type:	X	Expected Family Contribution: Primary	00000	Dependency Status:	X
Verification Flag:	X	Secondary	00000	Dependency Override:	X
SAR C Flag:	C	Automatic Zero EFC Flag:	X	Hold Code:	X
System Generated Indicator:	X	Formula Type:	X	Subsequent Application Flag:	X
Application Receipt Date:	mm/dd/ccyy	Simplified Needs Test Flag:	X	Pell Eligible Flag:	X
Transaction Process Date:	mm/dd/ccyy	FAA Adjustment:	X		
Transaction Receipt Date:	mm/dd/ccyy				

SSN Match Flag:	X	Selective Service Registration Flag:	X	Selective Service Match:	X
INS Match Flag:	X	INS Verification #:	999999999999999	SSA Citizenship Code:	X
INS Sec. Conf. Flag:	X	NSLDS Results Flag:	X	NSLDS Transaction Number:	99
NSLDS Match Flag:	X	VA Match Flag:	X		

Reject Code(s): 01 02 03 04 05 06 07

Comment Codes: 001 002 003 004 005 006 007 008 009 010 011 012 013 014 015 016 017 018 019 020

BEST COPY AVAILABLE



2003-2004 Institutional Student Information Record

****
* IMPORTANT: Read ALL information to find out what to do with this Report. *
****

OMB Number: 1845-0008

NANCY S. TIGERMAN
123 Main Street
MIAMI FL 33177

JUNE 10, 2003

EFC 984*

149
Based on the information we have on record for you, your EFC is 984. Your school will use this number to determine what types of aid and how much you are eligible for. You may be eligible to receive a Federal Pell Grant and other federal student aid.

170
Your application has been selected for review in a process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).

006
If you need additional help with your ISIR, contact your school Financial Aid Administrator (FAA) or the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If your address changes, contact your school or call 1-800-4-FED-AID and ask a customer service representative to make the change for you.

Page 1 of 4 604-71-5620 TI 02

2003-2004 Institutional Student Information Record

Student ID	604-71-5620 TI 02

STEP ONE (THE STUDENT) (Q1 - Q35)

Name	NANCY S. TIGERMAN
Address:	123 Main Street MIAMI FL 33177
Social Security Number	604-71-5620
Date of Birth	03/20/1981
Permanent Home Phone #	(305)555-1212
E-mail Address	
Driver's License #	SFA-111555111-FL
Citizenship Status	U.S. CITIZEN
Alien Registration Number	
Marital Status	UNMARRIED
Marital Status Date	
Enroll Plan Summer 2003	FULL TIME/NOT SURE
Enroll Plan Fall 2003	FULL TIME/NOT SURE
Enroll Plan Wint 2003-4	FULL TIME/NOT SURE
Enroll Plan Spring 2004	FULL TIME/NOT SURE
Enroll Plan Summer 2004	FULL TIME/NOT SURE
Father's Educational Level	HIGH SCHOOL
Mother's Educational Level	HIGH SCHOOL
State of Legal Residence	FL
Legal Resident before 1-1-1998?	YES
Legal Residence Date	
Are You Male?	NO
Register for Selective Service?	
Degree/Certificate	1st BA
Grade Level in College	3rd YR/JUNIOR
HS Diploma or GED Received?	YES
First Bachelor's Degree by 7-1-2003?	NO
Interested in Student Loans?	YES
Interested in Student Employment?	YES
Drug Conv Affecting Elig?	NO

STEP TWO (STUDENT & SPOUSE) (Q36 - Q51)

Tax Return Filed?	NOT FILING
Type of 2002 Tax Return Used	
Eligible to File 1040A or 1040EZ?	
Adjusted Gross Income	
U.S. Income Tax Paid	
Exemptions Claimed	00
Student's Inc Earned From Work	0
Spouse's Inc Earned From Work	0
Total from Worksheet A	0
Total from Worksheet B	0
Total from Worksheet C	0
Net Worth of Investments	0
Net Worth of Business/Farm	0

EFC	984*
Dependency Status	D
Cash, Savings, and Checking	0
No. of Months VA Benefits Received	0
Monthly VA Education Benefits	0

STEP THREE (THE STUDENT) (Q52 - Q58)

Born Before 1-1-1980?	NO
Master's/Doctorate Prog. in 2003-2004?	NO
Is Student Married?	NO
Have Children You Support?	NO
Dependents Other Than Children/Spouse?	NO
Orphan or Ward of the Court?	NO
Veteran of U.S. Armed Forces?	NO

STEP FOUR (PARENTS) (Q59 - Q84)

Marital Status	DIVORCED/SEPARATED
Marital Status Date	12/1962
Father's/Stepfather's SSN	372-50-8087
Father's Last Name	TIGERMAN
Mother's/Stepmother's SSN	374-64-1300
Mother's Last Name	TIGERMAN
Number of Family Members	04
Number in College in 2003-2004	1
State of Legal Residence	FL
Legal Residents before 1-1-1998?	YES
Legal Residence Date	
Age of Older Parent	39
Tax Return Filed?	COMPLETED
Type of 2002 Tax Return Used	1040
Eligible to File 1040A or 1040EZ?	NO
Adjusted Gross Income	25489
U.S. Income Tax Paid	319
Exemptions Claimed	03
Father's Inc Earned From Work	0
Mother's Inc Earned From Work	0#
Total from Worksheet A	1400#
Total from Worksheet B	0#
Total from Worksheet C	600
Net Worth of Investments	0
Net Worth of Business/Farm	0
Cash, Savings, and Checking	0

STEP FIVE (STUDENT HH) (Q85 - Q86)

Number Family Members	04
Number in College in 2003-2004	1

*=assumption h=highlight flag #=corrected this trans @=corrected previous trans

```
                 2003-2004 Institutional Student Information Record

   Student ID              604-71-5620 TI 02    EFC                                984*
   Last Name                        TIGERMAN
   STEP SIX (Q87 - Q98)
   School #1  009999  Housing #1
   School #2  001466  Housing #2
   School #3  001486  Housing #3
   School #4  001481  Housing #4               OFFICE INFORMATION
   School #5          Housing #5               DRN
   School #6          Housing #6               Primary EFC Type                      1
                                               Secondary EFC Type
   STEP SEVEN (Q100 - Q104)                    Processed Date               06/10/2003
   Date Application Completed     02/17/2003   Application Data Source   PAPER RENEWAL
   Signed By            APPLICANT AND PARENT   ISIR Transaction Type    AUTOMATIC ISIR
   Preparer's SSN                              Source of Correction             SCHOOL
   Preparer's EIN                              Federal School Code Indicator    009999
   Preparer's Signature                        Reject Override Codes:
                                               A:   B:   C:   N:   W:
                                               Assumption Override Codes:
                                               1:   2:   3:   4:   5:   6:
-------------------------------------------------------------------------------------
   FAA Information                             Early Analysis Flag
   Date ISIR Received             03/07/2003   Rejects Met:
   Verification Flag                       Y   Verification Tracking Flag           14
   System Generated Indicator                  Dependency Override
   FAA Adjustment                              Duplicate Request
   Transaction Receipt Date       05/08/2003   Correction # Applied To              01
   Reprocessing Code                           Application Receipt Date     02/25/2003
   Processed Record Type                   H   Input Record Type                     H

  Paid EFC Type      PRIMARY  Pell Elig Flag          Y           Intermediate Values
  Primary EFC            984  Secondary EFC                       TI      26289 PCA       0
  Mon 1     109 Mon 7    763  Mon 1        Mon 7                  ATI     21818 AAI    4471
  Mon 2     218 Mon 8    872  Mon 2        Mon 8                  STX       789 TSC
  Mon 3     327 Mon 10  1052  Mon 3        Mon 10                 EA          0 TPC     984
  Mon 4     436 Mon 11  1120  Mon 4        Mon 11                 IPA     20710 PC      984
  Mon 5     545 Mon 12  1188  Mon 5        Mon 12                 AI       4471 STI       0
  Mon 6     654               Mon 6                               CAI             SATI   2380
                                                                  DNW    -17400 SIC       0
                                                                  NW          0 SDNW      0
                                                                  APA     17400 SCA       0
                                                                                  FTI   26289
  Auto Zero EFC Flag                                              Duplicate SSN Flag
  EFC Change Flag  DECREASE                                       Subsequent App Flag
  SNT Flag               NO

  Match Flags: SSN 4  SSA A  INS    SS    NSLDS 1  VA    INS Sec. Conf.
               INS Ver. No.                      SS Registration Flag
               NSLDS Transaction Number    1     NSLDS Database Results Flag  1

  Comments:   149,170,006



        *=assumption h=highlight flag #=corrected this trans @=corrected previous trans
                                      Page  3 of 4
```

```
                2003-2004 Institutional Student Information Record
NANCY S. TIGERMAN
604-71-5620
2003-2004 NSLDS FINANCIAL AID HISTORY                       Processed: 06/10/2003
This page contains your previous financial aid information, which is contained in the
National Student Loan Data System (NSLDS).  Your Financial Aid Administrator will use
it to determine your eligibility.
*************************************************************************************
 Overpayment: Contact:  Discharged    Defaulted   Loan Sat.     Active          Post Screening
                        Loan Flag:N   Loans:N     Repayment:N   Bankruptcy:N    Reason:
Pell:     N   N/A
FSEOG:    N   N/A
Perkins:  N   N/A
*************************************************************************************
Aggregate Amounts:                  Outstanding    Pending        Total:
 FFEL/Direct Loans:                 Prin. Bal.:    Disb(s):
Subsidized Loans:                   $    N/A       $    N/A       $    N/A
Unsubsidized Loans:                 $    N/A       $    N/A       $    N/A
Combined Loans:                     $    N/A       $    N/A       $    N/A
FFEL Consol. Loans:                 $    N/A                      $    N/A
 Perkins Loans:
Outstanding Principal Bal.:      $  3,000  Current Year Loan Amount:  $    N/A

*************************************************************************************
 Pell Payment Data:
Sch.Code:          Tran:    Sch.Amt:      Award Amt:      Disb.Amt:
%Sch.Used:      As Of:            Pell Verification Flag:   EFC:
Sch.Code:          Tran:    Sch.Amt:      Award Amt:      Disb.Amt:
%Sch.Used:      As Of:            Pell Verification Flag:   EFC:
Sch.Code:          Tran:    Sch.Amt:      Award Amt:      Disb.Amt:
%Sch.Used:      As Of:            Pell Verification Flag:   EFC:
*************************************************************************************
Loan Detail:                   Net Loan   Begin       End       GA    School   Grade   Contact
                               Amount     Date        Date      Code  Code     Level   Code/Type
                                  Additional     Loan       Capitalized   Date of   Amt of
                                  Unsub          Type       Interest      Last Disb Last Disb

 Federal Perkins            $  3,000 08/23/2001 05/03/2003 N/A 00148100  N/A 00148100/SCH
                                  Neither        Recent     NO            02/27/2003 $3000
Status Code IA as of 02/23/2003
Outstanding Bal. $3,000 as of 04/30/2003

MPN Information

Direct Loan Subsidized/Unsubsidized MPN:   No MPN on File
Direct Loan PLUS MPN:                      Unavailable
```

ISIR Search

1. What is Nancy's EFC?

2. Which ISIR transaction do we have for Nancy?

3. What are the comment codes on Nancy's ISIR?

4. What is the process date of Nancy's ISIR?

5. Does Nancy have any previous student loans?

6. What type of application did Nancy file?

7. Was Nancy processed as an independent or dependent student?

8. Did CPS select Nancy for verification?

9. What is the total income on Nancy's ISIR?

10. How much were the state taxes and other taxes in Nancy's calculation?

11. What is the parental contribution on Nancy's ISIR?

12. What is the EFC for a five-month period of enrollment?

Verification

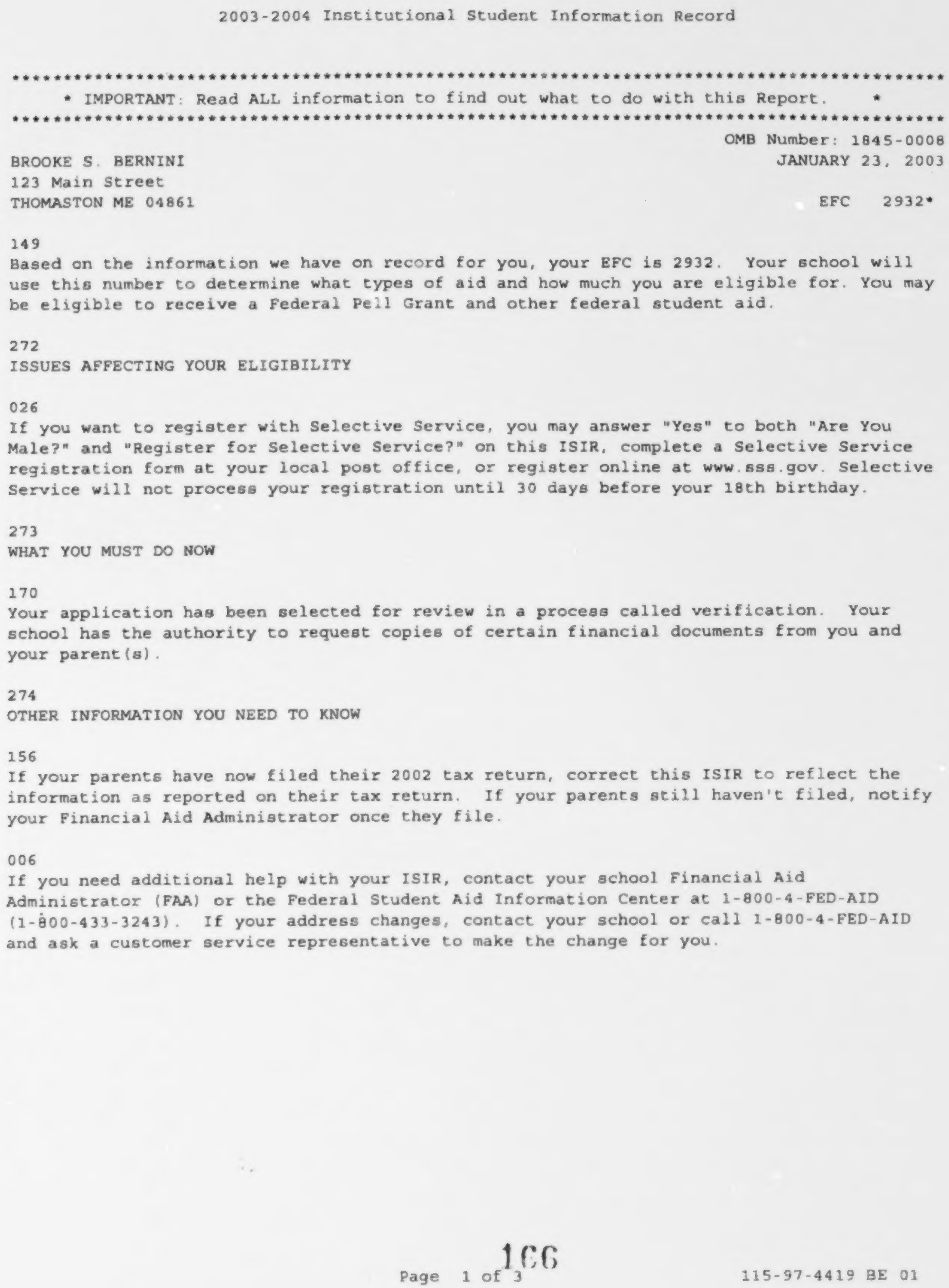
2003-2004 Verification Working Paper

Student: ____________________ SS#: ____________________ Dep. Status: ________

Tax Returns Filed	Student/Spouse (circle one): 1040, 1040A, 1040EZ, Other, None filed
	Parent(s) (circle one): 1040, 1040A, 1040EZ, Other, None filed

FAFSA Item #	**Amount on Output Document**	**Amount Verified (Source)**	**Match?**		
			Yes	**No**	**N/A**
Household Size (65/85)		(Worksheet)			
# in College (66/86)		(Worksheet)			
Student/Spouse AGI (39)		(1040-35, A-21, EZ-4, telefile-I)			
Student/Spouse Income Tax Paid (40)		(1040-55,A-36,EZ-10, telefile-K2)			
Parent AGI (74)		(1040-35, A-21, EZ-4, telefile-I)			
Parent Income Tax Paid (75)		(1040-55, A-36, EZ-10, telefile-K2)			
Non-Filers Only					
Student Earnings (42)		(W2)			
Spouse Earnings (43)		(W2)			
Father Earnings (77)		(W2)			
Mother Earnings (78)		(W2)			
Data from Worksheets A & B- Untaxed Income & Exclusions from Income (list and verify items that apply)					

Net Error = $____________________	Notes:
Verification Results:	
Verification Performed By: ________________	
Date: ________________	



2003-2004 Institutional Student Information Record

****

* IMPORTANT: Read ALL information to find out what to do with this Report. *

****

OMB Number: 1845-0008

BROOKE S. BERNINI JANUARY 23, 2003
123 Main Street
THOMASTON ME 04861 EFC 2932*

149
Based on the information we have on record for you, your EFC is 2932. Your school will use this number to determine what types of aid and how much you are eligible for. You may be eligible to receive a Federal Pell Grant and other federal student aid.

272
ISSUES AFFECTING YOUR ELIGIBILITY

026
If you want to register with Selective Service, you may answer "Yes" to both "Are You Male?" and "Register for Selective Service?" on this ISIR, complete a Selective Service registration form at your local post office, or register online at www.sss.gov. Selective Service will not process your registration until 30 days before your 18th birthday.

273
WHAT YOU MUST DO NOW

170
Your application has been selected for review in a process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).

274
OTHER INFORMATION YOU NEED TO KNOW

156
If your parents have now filed their 2002 tax return, correct this ISIR to reflect the information as reported on their tax return. If your parents still haven't filed, notify your Financial Aid Administrator once they file.

006
If you need additional help with your ISIR, contact your school Financial Aid Administrator (FAA) or the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If your address changes, contact your school or call 1-800-4-FED-AID and ask a customer service representative to make the change for you.

Page 1 of 3 115-97-4419 BE 01

2003-2004 Institutional Student Information Record

Student ID	115-97-4419 BE 01

STEP ONE (THE STUDENT) (Q1 - Q35)

Name	BROOKE S. BERNINI
Address:	123 Main Street THOMASTON ME 04861
Social Security Number	115-97-4419
Date of Birth	07/23/1984
Permanent Home Phone #	(207)555-1212
E-mail Address	
Driver's License #	SFA-111555111-ME
Citizenship Status	U.S. CITIZEN
Alien Registration Number	
Marital Status	UNMARRIED
Marital Status Date	
Enroll Plan Summer 2003	
Enroll Plan Fall 2003	FULL TIME/NOT SURE
Enroll Plan Wint 2003-4	FULL TIME/NOT SURE
Enroll Plan Spring 2004	FULL TIME/NOT SURE
Enroll Plan Summer 2004	
Father's Educational Level	HIGH SCHOOL
Mother's Educational Level	COLLEGE/BEYOND
State of Legal Residence	ME
Legal Resident before 1-1-1998?	YES
Legal Residence Date	
Are You Male?	YES
Register for Selective Service?	NO
Degree/Certificate	1st BA
Grade Level in College	1st YR NEVER ATT
HS Diploma or GED Received?	YES
First Bachelor's Degree by 7-1-2003?	NO
Interested in Student Loans?	YES
Interested in Student Employment?	YES
Drug Conv Affecting Elig?	NO

STEP TWO (STUDENT & SPOUSE) (Q36 - Q51)

Tax Return Filed?	NOT FILING
Type of 2002 Tax Return Used	
Eligible to File 1040A or 1040EZ?	
Adjusted Gross Income	
U.S. Income Tax Paid	
Exemptions Claimed	
Student's Inc Earned From Work	3500
Spouse's Inc Earned From Work	
Total from Worksheet A	0
Total from Worksheet B	0
Total from Worksheet C	0
Net Worth of Investments	0
Net Worth of Business/Farm	0

EFC	2932*
Dependency Status	D
Cash, Savings, and Checking	0
No. of Months VA Benefits Received	
Monthly VA Education Benefits	0

STEP THREE (THE STUDENT) (Q52 - Q58)

Born Before 1-1-1980?	NO
Master's/Doctorate Prog. in 2003-2004?	NO
Is Student Married?	NO
Have Children You Support?	NO
Dependents Other Than Children/Spouse?	NO
Orphan or Ward of the Court?	NO
Veteran of U.S. Armed Forces?	NO

STEP FOUR (PARENTS) (Q59 - Q84)

Marital Status	MARRIED/REMARRIED
Marital Status Date	12/1962
Father's/Stepfather's SSN	115-53-1711
Father's Last Name	BERNINI
Mother's/Stepmother's SSN	115-61-3546
Mother's Last Name	BERNINI
Number of Family Members	04
Number in College in 2003-2004	2
State of Legal Residence	ME
Legal Residents before 1-1-1998?	YES
Legal Residence Date	
Age of Older Parent	58
Tax Return Filed?	WILL FILE
Type of 2002 Tax Return Used	1040
Eligible to File 1040A or 1040EZ?	NO
Adjusted Gross Income	58000
U.S. Income Tax Paid	6665
Exemptions Claimed	04
Father's Inc Earned From Work	50000
Mother's Inc Earned From Work	9074
Total from Worksheet A	0
Total from Worksheet B	0
Total from Worksheet C	0
Net Worth of Investments	3000
Net Worth of Business/Farm	50000
Cash, Savings, and Checking	1500

STEP FIVE (STUDENT HH) (Q85 - Q86)

Number Family Members	
Number in College in 2003-2004	

*=assumption h=highlight flag #=corrected this trans @=corrected previous trans

```
                2003-2004 Institutional Student Information Record

 Student ID           115-97-4419 BE 01    EFC                         2932*
 Last Name                      BERNINI
 STEP SIX (Q87 - Q98)
 School #1  002153  Housing #1    ON CAMPUS
 School #2  003259  Housing #2    ON CAMPUS
 School #3  010392  Housing #3    ON CAMPUS
 School #4  002053  Housing #4    ON CAMPUS    OFFICE INFORMATION
 School #5  009999  Housing #5    ON CAMPUS    DRN
 School #6          Housing #6                 Primary EFC Type                1
                                               Secondary EFC Type
 STEP SEVEN (Q100 - Q104)                      Processed Date         01/23/2003
 Date Application Completed      01/11/2003    Application Data Source  FAFSA WEB
 Signed By             APPLICANT AND PARENT    ISIR Transaction Type AUTOMATIC ISIR
 Preparer's SSN                                Source of Correction
 Preparer's EIN                                Federal School Code Indicator  009999
 Preparer's Signature                          Reject Override Codes:
                                               A:   B:   C:   N:   W:
                                               Assumption Override Codes:
                                               1:   2:   3:   4:   5:   6:
-----------------------------------------------------------------------------------
 FAA Information                               Early Analysis Flag
 Date ISIR Received              03/11/2003    Rejects Met:
 Verification Flag                        Y    Verification Tracking Flag      5
 System Generated Indicator                    Dependency Override
 FAA Adjustment                                Duplicate Request
 Transaction Receipt Date        01/18/2003    Correction # Applied To
 Reprocessing Code                             Application Receipt Date  01/18/2003
 Processed Record Type                         Input Record Type

Paid EFC Type     PRIMARY  Pell Elig Flag          Y         Intermediate Values
Primary EFC          2932  Secondary EFC                     TI      58000 PCA        0
Mon 1     326 Mon 7  2282  Mon 1       Mon 7                 ATI     37234 AAI    20766
Mon 2     652 Mon 8  2608  Mon 2       Mon 8                 STX      4640 TSC
Mon 3     978 Mon 10 2993  Mon 3       Mon 10                EA       3000 TPC     5186
Mon 4    1304 Mon 11 3054  Mon 4       Mon 11                IPA     18410 PC      2593
Mon 5    1630 Mon 12 3115  Mon 5       Mon 12                AI      20766 STI     3500
Mon 6    1956              Mon 6                             CAI           SATI    2823
                                                             DNW    -35100 SIC      339
                                                             NW      24500 SDNW       0
                                                             APA     59600 SCA        0
                                                                           FTI    61500
Auto Zero EFC Flag                                           Duplicate SSN Flag
EFC Change Flag NO CHANGE                                    Subsequent App Flag
SNT Flag               NO

Match Flags: SSN 4  SSA A  INS    SS T  NSLDS 1  VA    INS Sec. Conf.
             INS Ver. No.                    SS Registration Flag
             NSLDS Transaction Number    1   NSLDS Database Results Flag  3

Comments:   149,272,026,273,170,274,156,006,140




   *=assumption h=highlight flag #=corrected this trans @=corrected previous trans
                                 Page  3 of 3
```

Form **1040EZ**

Department of the Treasury—Internal Revenue Service

Income Tax Return for Single and Joint Filers With No Dependents (99) **2002**

COPY

OMB No. 1545-0675

Label (See page 14.) **Use the IRS label.** Otherwise, please print or type.

LABEL HERE

Your first name and initial: Brooke

Last name: Bernini

Your social security number: 115 97 4419

If a joint return, spouse's first name and initial:

Last name:

Spouse's social security number:

Home address (number and street). If you have a P.O. box, see page 14.: 123 MAIN STREET

Apt. no.:

City, town or post office, state, and ZIP code. If you have a foreign address, see page 14.: THOMASTON, ME 04861

▲ Important! ▲ You **must** enter your SSN(s) above.

Presidential Election Campaign (page 14) ▶ **Note.** Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if a joint return, want $3 to go to this fund? ▶

You ☑ Yes ☐ No Spouse ☐ Yes ☐ No

Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment.	1 Total wages, salaries, and tips. This should be shown in box 1 of your W-2 form(s). Attach your W-2 form(s).	1	3515	00
	2 Taxable interest. If the total is over $1,500, you cannot use Form 1040EZ.	2		
	3 Unemployment compensation and Alaska Permanent Fund dividends (see page 16).	3		
	4 Add lines 1, 2, and 3. This is your **adjusted gross income.**	4	3515	00
Note. You must check Yes or No.	5 Can your parents (or someone else) claim you on their return? Yes. ☑ Enter amount from worksheet on back. No. ☐ If **single**, enter $7,700. If **married**, enter $13,850. See back for explanation.	5	3765	00
	6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your **taxable income.** ▶	6	0	
Payments and tax	7 Federal income tax withheld from box 2 of your W-2 form(s).	7	290	00
	8 **Earned income credit (EIC).**	8	0	
	9 Add lines 7 and 8. These are your **total payments.** ▶	9	290	00
	10 **Tax.** Use the amount on **line 6 above** to find your tax in the tax table on pages 25–29 of the booklet. Then, enter the tax from the table on this line.	10	0	
Refund Have it directly deposited! See page 21 and fill in 11b, 11c, and 11d.	11a If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund.** ▶	11a	290	00
	▶ b Routing number ☐☐☐☐☐☐☐☐☐ ▶ c Type: ☐ Checking ☐ Savings			
	▶ d Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐			
Amount you owe	12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe.** For details on how to pay, see page 22. ▶	12		

Third party designee Do you want to allow another person to discuss this return with the IRS (see page 22)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign here Joint return? See page 13. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

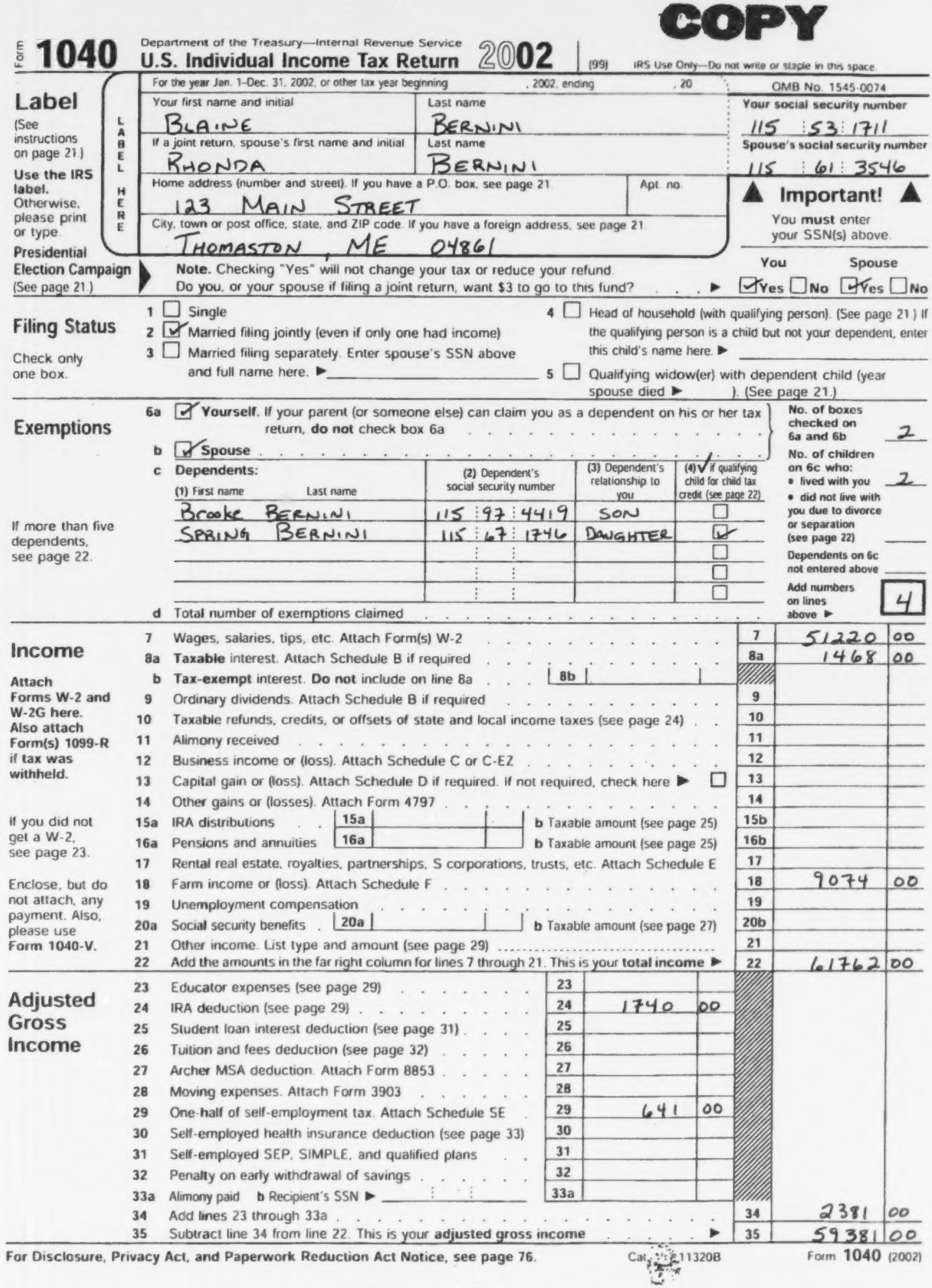
Your signature	Date	Your occupation	Daytime phone number
	4/15/03	STUDENT	(207) 555-1212
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid preparer's use only

Preparer's signature ▶ Date Check if self-employed ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ EIN Phone no. ( )

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 24. Cat. No. 11329W Form **1040EZ** (2002)



COPY

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 2002 (99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2002, or other tax year beginning , 2002, ending , 20 OMB No. 1545-0074

Label (See instructions on page 21.) **Use the IRS label.** Otherwise, please print or type.

LABEL HERE

Your first name and initial BLAINE	Last name BERNINI	**Your social security number** 115 53 1711
If a joint return, spouse's first name and initial RHONDA	Last name BERNINI	**Spouse's social security number** 115 61 3546
Home address (number and street). If you have a P.O. box, see page 21. 123 MAIN STREET	Apt. no.	▲ **Important!** ▲ You **must** enter your SSN(s) above.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 21. THOMASTON, ME 04861		

Presidential Election Campaign (See page 21.) **Note.** Checking "Yes" will not change your tax or reduce your refund.
Do you, or your spouse if filing a joint return, want $3 to go to this fund? ▶ You ☑ Yes ☐ No Spouse ☑ Yes ☐ No

Filing Status Check only one box.

1 ☐ Single
2 ☑ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See page 21.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶). (See page 21.)

Exemptions

6a ☑ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a
b ☑ **Spouse**

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 22)
Brooke BERNINI	115 97 4419	SON	☐
SPRING BERNINI	115 67 1746	DAUGHTER	☑
			☐
			☐
			☐

If more than five dependents, see page 22.

d Total number of exemptions claimed

No. of boxes checked on 6a and 6b 2
No. of children on 6c who:
- lived with you 2
- did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above
Add numbers on lines above ▶ 4

Income

Attach Forms W-2 and W-2G here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 23.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	51220 00
8a	**Taxable** interest. Attach Schedule B if required	8a	1468 00
b	**Tax-exempt** interest. **Do not** include on line 8a 8b		
9	Ordinary dividends. Attach Schedule B if required	9	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 24)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions 15a b Taxable amount (see page 25)	15b	
16a	Pensions and annuities 16a b Taxable amount (see page 25)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	9074 00
19	Unemployment compensation	19	
20a	Social security benefits 20a b Taxable amount (see page 27)	20b	
21	Other income. List type and amount (see page 29)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	61762 00

Adjusted Gross Income

23	Educator expenses (see page 29)	23			
24	IRA deduction (see page 29)	24	1740 00		
25	Student loan interest deduction (see page 31)	25			
26	Tuition and fees deduction (see page 32)	26			
27	Archer MSA deduction. Attach Form 8853	27			
28	Moving expenses. Attach Form 3903	28			
29	One-half of self-employment tax. Attach Schedule SE	29	641 00		
30	Self-employed health insurance deduction (see page 33)	30			
31	Self-employed SEP, SIMPLE, and qualified plans	31			
32	Penalty on early withdrawal of savings	32			
33a	Alimony paid b Recipient's SSN ▶	33a			
34	Add lines 23 through 33a			34	2381 00
35	Subtract line 34 from line 22. This is your **adjusted gross income** ▶			35	59381 00

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 76. Cat. No. 11320B Form **1040** (2002)

170

Tax and Credits

Standard Deduction for—
- People who checked any box on line 37a or 37b **or** who can be claimed as a dependent, see page 34.
- All others:

Single, $4,700

Head of household, $6,900

Married filing jointly or Qualifying widow(er), $7,850

Married filing separately, $3,925

Line	Description	Line	Amount		Line	Amount	
36	Amount from line 35 (adjusted gross income)				36	59381	00
37a	Check if: ☐ **You** were 65 or older, ☐ Blind; ☐ **Spouse** was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here ▶ **37a** ☐						
b	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see page 34 and check here ▶ **37b** ☐						
38	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)				38	7850	00
39	Subtract line 38 from line 36				39	51531	00
40	If line 36 is $103,000 or less, multiply $3,000 by the total number of exemptions claimed on line 6d. If line 36 is over $103,000, see the worksheet on page 35				40	12000	00
41	**Taxable income.** Subtract line 40 from line 39. If line 40 is more than line 39, enter -0-				41	39531	00
42	**Tax** (see page 36). Check if any tax is from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972				42	5329	00
43	**Alternative minimum tax** (see page 37). Attach Form 6251				43		
44	Add lines 42 and 43 ▶				44	5329	00
45	Foreign tax credit. Attach Form 1116 if required	45					
46	Credit for child and dependent care expenses. Attach Form 2441	46					
47	Credit for the elderly or the disabled. Attach Schedule R	47					
48	Education credits. Attach Form 8863	48					
49	Retirement savings contributions credit. Attach Form 8880	49					
50	Child tax credit (see page 39)	50	600	00			
51	Adoption credit. Attach Form 8839	51					
52	Credits from: **a** ☐ Form 8396 **b** ☐ Form 8859	52					
53	Other credits. Check applicable box(es): **a** ☐ Form 3800 **b** ☐ Form 8801 **c** ☐ Specify	53					
54	Add lines 45 through 53. These are your **total credits**				54	600	00
55	Subtract line 54 from line 44. If line 54 is more than line 44, enter -0- ▶				55	4729	00

Other Taxes

Line	Description	Line	Amount		Line	Amount	
56	Self-employment tax. Attach Schedule SE				56	1282	00
57	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137				57		
58	Tax on qualified plans, including IRAs, and other tax-favored accounts. Attach Form 5329 if required				58		
59	Advance earned income credit payments from Form(s) W-2				59		
60	Household employment taxes. Attach Schedule H				60		
61	Add lines 55 through 60. This is your **total tax** ▶				61	6011	00

Payments

If you have a qualifying child, attach Schedule EIC.

Line	Description	Line	Amount		Line	Amount	
62	Federal income tax withheld from Forms W-2 and 1099	62	8062	00			
63	2002 estimated tax payments and amount applied from 2001 return	63					
64	**Earned income credit (EIC)**	64					
65	Excess social security and tier 1 RRTA tax withheld (see page 56)	65					
66	Additional child tax credit. Attach Form 8812	66					
67	Amount paid with request for extension to file (see page 56)	67					
68	Other payments from: **a** ☐ Form 2439 **b** ☐ Form 4136 **c** ☐ Form 8885	68					
69	Add lines 62 through 68. These are your **total payments** ▶				69	8062	00

Refund

Direct deposit? See page 56 and fill in 71b, 71c, and 71d.

Line	Description	Line	Amount		Line	Amount	
70	If line 69 is more than line 61, subtract line 61 from line 69. This is the amount you **overpaid**				70	2051	00
71a	Amount of line 70 you want **refunded to you** ▶				71a	2051	00
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings						
▶ d	Account number						
72	Amount of line 70 you want **applied to your 2003 estimated tax** ▶	72					

Amount You Owe

Line	Description	Line	Amount		Line	Amount	
73	**Amount you owe.** Subtract line 69 from line 61. For details on how to pay, see page 57 ▶				73		
74	Estimated tax penalty (see page 57)	74					

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 58)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign Here

Joint return? See page 21. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Elaine Bernini	4/15/03	Actuary	(207) 555-1212
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	
Rhonda Bernini	4/15/03	Landscaper	

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ EIN : Phone no. ( )

U.S. Department of Education

2003-2004 Verification Worksheet

Federal Student Aid Programs

Dependent

FORM APPROVED
OMB NO. 1845-0041
EXP. DATE 12/31/2004

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s)' 2002 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections using your Student Aid Report (SAR), or you or your school may send corrections electronically.

Complete this verification form and submit it to your financial aid administrator as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections using your SAR or electronically.

Your school must review the requested information, under the financial aid program rules (34 CFR, Part 668).

A. Student Information

Last name: BERNINI
First name: Brooke
M.I.: S.
Social Security Number: 115-97-4419
Address (include apt. no.): 123 MAIN STREET
Date of birth: 7-23-84
City: THOMASTON
State: ME
ZIP code: 04861
Phone number (include area code): 207-555-1212

B. Family Information

List the people in your parents' household, include:

- yourself and your parent(s) (including stepparent) even if you don't live with your parents, and
- your parents' other children, even if they don't live with your parent(s), if (a) your parents will provide more than half of their support from July 1, 2003 through June 30, 2004, or (b) the children would be required to provide parental information when applying for Federal Student Aid, and
- other people if they now live with your parents, and your parents provide more than half of their support and will continue to provide more than half of their support from July 1, 2003 through June 30, 2004.

Write the names of all household members. Also write in the name of the college for any household member, excluding your parent(s), who will be attending college at least half-time between July 1, 2003 and June 30, 2004, and will be enrolled in a degree, diploma, or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Missy Jones(example)	18	Sister	Central University
Brooke Bernini	19	Self	STATE COLLEGE
Spring Bernini	16	sister	
Blaine Bernini	58	father	
Rhonda Bernini	52	mother	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0041. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-5345.

C. Student's Tax Forms and Income Information (all applicants) **Dependent**

1. Check one box only. Tax returns include the 2002 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If you did not keep a copy of the tax return, request a copy from your tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check and attach signed tax return.
☐ Check and complete: signed tax return will be submitted to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 2002 U.S. Income Tax Return.

2. Funds received for child support and other untaxed income. (See worksheets A&B of the Free Application for Federal Student Aid)

Sources of Untaxed Income	2002 Amount	Sources of Untaxed Income	2002 Amount
a. Child Support	$	d.	$
b. Social Security (non-taxed)	$	e.	$
c. Welfare (including TANF)	$	f.	$

3. If you did not file and are not required to file a 2002 Federal income tax return, list below your employer(s) and any income received in 2002 (use the W-2 form or other earnings statements if available).

Sources	2002 Amount
	$
	$
	$

D. Parent(s)' Tax Forms and Income Information

1. Check one box only. Tax returns include the 2002 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return. If your parent(s) did not keep a copy of the tax return, request a copy from the tax preparer or a copy of an Internal Revenue Service form that lists tax account information.

☑ Check and attach signed tax return(s).
☐ Check and complete: signed tax return(s) will be submitted to the school by ____________________(date).
☐ Check here if your parent(s) will not file and are not required to file a 2002 U.S. Income Tax Return.

2. Funds received for child support and other untaxed income. (See worksheets A & B of the Free Application for Federal Student Aid)

Sources of Untaxed Income	2002 Amount	Sources of Untaxed Income	2002 Amount
a. Child Support	$	d.	$
b. Social Security (non-taxed)	$	e.	$
c. Welfare (including TANF)	$	f.	$

3. If your parent(s) did not file and are not required to file a 2002 Federal income tax return, list below your parent(s)' employer(s) and any income they received in 2002 (use the W-2 form or other earnings statements if available).

Sources	2002 Amount
	$
	$
	$

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported on it is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Brooke Bernini 7/25/03
Student Date

Rhonda Bernini 7/25/03
Parent Date

Do not mail this worksheet to the Department of Education. Take it to your Financial Aid Administrator at your school. Make sure that tax

Verification

Answers & Reprocessed ISIR

2003-2004 Verification Working Paper

Student: Brooke Bernini SS#: 115-97-4419 Dep. Status: D

Tax Returns Filed	
	Student/Spouse (circle one): 1040, 1040A, [✓ 1040EZ] Other, None filed *
	Parent(s) (circle one): [✓ 1040] 1040A, 1040EZ, Other, None filed

FAFSA Item #	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (65/85)	4	4 (Worksheet)	✓		
# in College (66/86)	2	1 (Worksheet)		✓	
Student/Spouse AGI (39)	Blank	3515* (1040-35, A-21, EZ-4, telefile-I)		✓	
Student/Spouse Income Tax Paid (40)	Blank	0 (1040-55,A-36,EZ-10, telefile-K2)	✓		
Parent AGI (74)	58000	59381 (1040-35, A-21, EZ-4, telefile-I)		✓	
Parent Income Tax Paid (75)	6665	4729 (1040-55, A-36, EZ-10, telefile-K2)		✓	
Non-Filers Only					
Student Earnings (42)	3500*	(W2)		✓	
Spouse Earnings (43)		(W2)			
Father Earnings (77)		(W2)			
Mother Earnings (78)		(W2)			
Data from Worksheets A & B- Untaxed Income & Exclusions from Income (list and verify items that apply)					
worksheet A	0	0	✓		
Worksheet B	0	1740 (IRA deduction)		✓	

Net Error = $ 5072

Verification Results: reprocessed ISIR

Verification Performed By:

Date: 7/28/03

Notes: * Student reported that he didn't file a tax return, but he submitted a 1040EZ for verification. We compared his wages from the ISIR to the AGI on his tax return for verification.

BEST COPY AVAILABLE

2003-2004 Institutional Student Information Record

* IMPORTANT: Read ALL information to find out what to do with this Report. *

OMB Number: 1845-0008

JULY 29, 2003

BROOKE S. BERNINI
123 Main Street
THOMASTON ME 04861

EFC 6471*

149

Based on the information we have on record for you, your EFC is 6471. Your school will use this number to determine what types of aid and how much you are eligible for. You may be eligible to receive a Federal Pell Grant and other federal student aid.

272

ISSUES AFFECTING YOUR ELIGIBILITY

026

If you want to register with Selective Service, you may answer "Yes" to both "Are You Male?" and "Register for Selective Service?" on this ISIR, complete a Selective Service registration form at your local post office, or register online at www.sss.gov. Selective Service will not process your registration until 30 days before your 18th birthday.

273

WHAT YOU MUST DO NOW

170

Your application has been selected for review in a process called verification. Your school has the authority to request copies of certain financial documents from you and your parent(s).

274

OTHER INFORMATION YOU NEED TO KNOW

156

If your parents have now filed their 2002 tax return, correct this ISIR to reflect the information as reported on their tax return. If your parents still haven't filed, notify your Financial Aid Administrator once they file.

006

If you need additional help with your ISIR, contact your school Financial Aid Administrator (FAA) or the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). If your address changes, contact your school or call 1-800-4-FED-AID and ask a customer service representative to make the change for you.

```
                    2003-2004 Institutional Student Information Record

  Student ID                115-97-4419 BE 02   EFC                                5958*

  STEP ONE (THE STUDENT) (Q1 - Q35)             Dependency Status                     D
  Name                        BROOKE S. BERNINI
  Address:                      123 Main Street
                            THOMASTON ME 04861
  Social Security Number            115-97-4419 Cash, Savings, and Checking           0
  Date of Birth                      07/23/1984 No. of Months VA Benefits Received
  Permanent Home Phone #          (207)555-1212 Monthly VA Education Benefits         0
  E-mail Address
  Driver's License #          SFA-111555111-ME  STEP THREE (THE STUDENT) (Q52 - Q58)
  Citizenship Status                U.S. CITIZEN Born Before 1-1-1980?               NO
  Alien Registration Number                     Master's/Doctorate Prog. in 2003-2004?  NO
  Marital Status                      UNMARRIED Is Student Married?                  NO
  Marital Status Date                           Have Children You Support?           NO
  Enroll Plan Summer 2003                       Dependents Other Than Children/Spouse?  NO
  Enroll Plan Fall 2003    FULL TIME/NOT SURE   Orphan or Ward of the Court?         NO
  Enroll Plan Wint 2003-4  FULL TIME/NOT SURE   Veteran of U.S. Armed Forces?        NO
  Enroll Plan Spring 2004  FULL TIME/NOT SURE
  Enroll Plan Summer 2004                       STEP FOUR (PARENTS) (Q59 - Q84)
  Father's Educational Level      HIGH SCHOOL   Marital Status          MARRIED/REMARRIED
  Mother's Educational Level  COLLEGE/BEYOND    Marital Status Date                12/1962
  State of Legal Residence                ME    Father's/Stepfather's SSN      115-53-1711
  Legal Resident before 1-1-1998?        YES    Father's Last Name                 BERNINI
  Legal Residence Date                          Mother's/Stepmother's SSN      115-61-3546
  Are You Male?                          YES    Mother's Last Name                 BERNINI
  Register for Selective Service?         NO    Number of Family Members                04
  Degree/Certificate                  1st BA    Number in College in 2003-2004           1
  Grade Level in College   1st YR NEVER ATT     State of Legal Residence                ME
  HS Diploma or GED Received?            YES    Legal Residents before 1-1-1998?       YES
  First Bachelor's Degree by 7-1-2003?    NO    Legal Residence Date
  Interested in Student Loans?           YES    Age of Older Parent                     58
  Interested in Student Employment?      YES    Tax Return Filed?                COMPLETED
  Drug Conv Affecting Elig?               NO    Type of 2002 Tax Return Used          1040
                                                Eligible to File 1040A or 1040EZ?       NO
  STEP TWO (STUDENT & SPOUSE) (Q36 - Q51)       Adjusted Gross Income                59381
  Tax Return Filed?                COMPLETED    U.S. Income Tax Paid                  6011
  Type of 2002 Tax Return Used  1040A/EZ/TEL    Exemptions Claimed                      04
  Eligible to File 1040A or 1040EZ?      YES    Father's Inc Earned From Work        51220
  Adjusted Gross Income                 3515    Mother's Inc Earned From Work         9074
  U.S. Income Tax Paid                     0    Total from Worksheet A                   0
  Exemptions Claimed                      00    Total from Worksheet B                1740
  Student's Inc Earned From Work        3515    Total from Worksheet C                   0
  Spouse's Inc Earned From Work                 Net Worth of Investments              3000
  Total from Worksheet A                   0    Net Worth of Business/Farm           50000
  Total from Worksheet B                   0    Cash, Savings, and Checking           1500
  Total from Worksheet C                   0
  Net Worth of Investments                 0    STEP FIVE (STUDENT HH) (Q85 - Q86)
  Net Worth of Business/Farm               0    Number Family Members
                                                Number in College in 2003-2004


      *=assumption h=highlight flag #=corrected this trans @=corrected previous trans
                                   Page  2 of 3
                    2003-2004 Institutional Student Information Record

    Student ID              115-97-4419 BE 02     EFC                                6471*
    Last Name                         BERNINI
    STEP SIX (Q87 - Q98)
    School #1  002153  Housing #1    ON CAMPUS
    School #2  003259  Housing #2    ON CAMPUS
    School #3  010392  Housing #3    ON CAMPUS
    School #4  002053  Housing #4    ON CAMPUS    OFFICE INFORMATION
    School #5  009999  Housing #5    ON CAMPUS    DRN
    School #6          Housing #6                 Primary EFC Type                      1
                                                  Secondary EFC Type
    STEP SEVEN (Q100 - Q104)                      Processed Date               07/29/2003
    Date Application Completed      01/11/2003    Application Data Source       FAFSA WEB
    Signed By            APPLICANT AND PARENT     ISIR Transaction Type    AUTOMATIC ISIR
    Preparer's SSN                                Source of Correction
    Preparer's EIN                                Federal School Code Indicator    009999
    Preparer's Signature                          Reject Override Codes:
                                                  A:   B:   C:   N:   W:
                                                  Assumption Override Codes:
                                                  1:   2:   3:   4:   5:   6:
   ------------------------------------------------------------------------------------
    FAA Information                               Early Analysis Flag
    Date ISIR Received              07/29/2003    Rejects Met:
    Verification Flag                        Y    Verification Tracking Flag            5
    System Generated Indicator                    Dependency Override
    FAA Adjustment                                Duplicate Request
    Transaction Receipt Date        01/18/2003    Correction # Applied To
    Reprocessing Code                             Application Receipt Date     01/18/2003
    Processed Record Type                         Input Record Type

   Paid EFC Type      PRIMARY  Pell Elig Flag                  Intermediate Values
   Primary EFC           6471  Secondary EFC                   TI      61121 PCA        0
   Mon 1     719 Mon 7   5033  Mon 1        Mon 7              ATI     37941 AAI    23180
   Mon 2    1438 Mon 8   5752  Mon 2        Mon 8              STX      4890 TSC
   Mon 3    2157 Mon 10  6611  Mon 3        Mon 10             EA       3000 TPC     6126
   Mon 4    2876 Mon 11  6751  Mon 4        Mon 11             IPA     20710 PC      5613
   Mon 5    3595 Mon 12  6897  Mon 5        Mon 12             AI      23180 STI     3515
   Mon 6    4314               Mon 6                           CAI             SATI    2825
                                                               DNW    -35100 SIC      345
                                                               NW      24500 SDNW       0
                                                               APA    -59600 SCA        0
                                                                             FTI    64636
   Auto Zero EFC Flag                                          Duplicate SSN Flag
   EFC Change Flag NO CHANGE                                   Subsequent App Flag
   SNT Flag              NO

   Match Flags: SSN 4  SSA A  INS    SS T  NSLDS 1  VA    INS Sec. Conf.
                INS Ver. No.                      SS Registration Flag
                NSLDS Transaction Number    1     NSLDS Database Results Flag  3

   Comments:  149,272,026,273,170,274,156,006,140


        *=assumption h=highlight flag #=corrected this trans @=corrected previous trans
                                      Page  3 of 3
```

Packaging

******Use this for Brooke***

Packaging Worksheet

Student: Brooke	
SSN:	
Program:	
Academic Year:	
Enrollment Status: Full time	
Class: Freshman	
Dependent/Independent	
COA	$12,000
EFC	6,471
Need	
Awards:	
Pell	
FSEOG	
FWS	
Perkins	
Subsidized FFEL/DL	
Unsubsidized FFEL/DL	
PLUS	
School Scholarship	
Outside Scholarship	
Other	
Total Package	

Sample

Packaging Worksheet

Student:	
SSN:	
Program:	
Academic Year:	
Enrollment Status:	
Class:	
Dependent/Independent	
COA	
EFC	
Need	
Awards:	
Pell	
FSEOG	
FWS	
Perkins	
Subsidized FFEL/DL	
Unsubsidized FFEL/DL	
PLUS	
School Scholarship	
Outside Scholarship	
Other	
Total Package	

Definitions Regarding Pell

Academic Year vs. Award Year

Academic Year: defined in hours, weeks, and terms

Statutory Definition of an Academic Year

Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year.

- While the above are minimum required definitions of an academic year, the actual length of instructional time in the program in weeks or hours may be more or less than the definitions.

Award Year:

- July 1 through June 30 each year
- Includes **all** weeks/terms when instruction occurs: school could have two-term academic year (fall/spring) with three-term award year (fall/spring/summer)

Scheduled Award vs. Annual Award

Scheduled Award:

- maximum Pell Grant student with a given EFC & COA can receive if enrolled full time for a full academic year
- student can receive just one per year

Annual Award:

- based on student's true enrollment status (full, 3/4, 1/2, < 1/2) for term-based, credit-hour schools
  (if student is full time, Scheduled Award = Annual Award)

- for nonterm-credit and all clock-hour schools, all students are considered full time for calculation purposes
  Scheduled Award = Annual Award

Standard Term vs. Nonstandard Term

Standard Terms:

- semesters, trimesters, quarters
- full time = 12 credits/term
- semester/trimester contains about 15 weeks of instructional time; quarter contains 10-12 weeks of instructional time

Please note: Just calling it a semester, trimester, or quarter does not make it a standard term.

Nonstandard Term:

- any term that is ***not*** standard, such as:
  a summer with 6 credits as full time; or
  a 15-week fall with 10 credits as full time

Checkpoint 1: Definitions

In each sentence, circle or underline the correct word whenever you have a choice of words.

1. The *award / academic* year is always July 1 through June 30.

2. The definition of academic year for each program must be a minimum / maximum of 28 / 30 weeks.

3. Regardless of the definition of the program's academic year, the reality may be *less / more / less or more* than that definition.

4. Program A is 29 weeks and 870 clock hours long. While the *reality / definition* of the program's length is 29 weeks and 870 hours, the *reality / definition* of the program's academic year must be at least 30 weeks and 900 hours.

5. Program B consists of two 13-week terms. While the *reality / definition* of the program's length is 26 weeks, the *reality / definition* of the program's academic year must be at least 30 weeks.

6. A school has a fall term and a spring term, each of which requires 12 credits for full time. In the summer, full time is 8 credits. The summer term is *standard / nonstandard.*

7. The same school has an optional winter intersession during which full time is 12 credits. For Pell purposes, this intersession is *standard / nonstandard.*

8. At a term-based school, a full-time student's Scheduled Award *will / will not / may* equal his or her annual award.

9. A student can receive a maximum of *1 / 2 / 3* Scheduled Award(s) per award year.

Selecting a Federal Pell Grant Formula

Selecting Federal Pell Grant Formulas

Formula 1	Formula 2	Formula 3	Formula 4	Formula 5
Credit-Hour Programs			**Credit or Clock-Hour Programs**	**Correspondence Study****
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
2 semesters/trimesters or 3 quarters offered in fall through spring		Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	Schedule for submission of lessons based on 12 hours per week (nonterm) or 30 hours per semester/trimester or 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
At least 30 weeks of instructional time in fall through spring terms***	**Less than** 30 weeks of instructional time in fall through spring terms***	Academic calendar may be more, less, or equal to 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
Full-time 12 credit hours for every term in the award year		**Standard term**: Full-time 12 credit hours **Nonstandard** term: Full-time is calculated according to regulatory formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)

* For a summer mini-session, use Formula 3.

** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable

*** Under certain circumstances the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.

BEST COPY AVAILABLE

Checkpoint 2: Choosing a Pell Grant Formula

Alexandria State University

Alexandria State University defines its academic year as 30 weeks and two terms (fall and spring). The actual length of each term is 14 weeks of instructional time; full time is 12 credits per term. Alexandria offers a summer term with full time as 12 credits.

Which formula(s) apply to the programs at this school?

Julian Institute

Julian Institute defines its academic year as 30 weeks and two terms (fall and spring). Each term is 15 weeks of instructional time; full time is 12 credits per term. Julian offers two summer mini-sessions, with full time as 6 credits for each separate session.

Which formula(s) apply to the programs at this school?

New West College

New West College defines its academic year as 30 weeks and three quarters (fall, winter, and spring). Each quarter is 10 weeks of instructional time; full time is 12 credits per term. New West offers a summer session in which full time is 12 credits.

Which formula(s) apply to the programs at this school?

Horizon Technical College

Horizon Technical College defines its academic year as 30 weeks and 24 credit hours. There are no terms used.

Which formula(s) apply to the programs at this school?

Your School

Now consider your school.

Which formula(s) apply to your school?

Special Issues Regarding Pell

Crossover Payment Periods

- If payment period crosses award years, school may pay student from either award year. However, if 6 months of a payment period fall in one award year, funds must be paid from that award year.
- For instance, payment period starts in May, ends in August; pay student from either award year.

Recalculating Pell

- Must recalculate if EFC changes due to verification, corrections, updating, or professional judgment.
- Must recalculate if student's enrollment status changes from one term to another.
- Otherwise, recalculation is optional.

Calculating Pell Grants for Credit Hour Programs with Terms

Practice – Formula 1

Steps 1 to 3 for Bill

O'Ryan College defines its academic year as 30 weeks and two terms (fall and spring). Each term has 15 weeks; full time is 12 credits per term.

Bill is enrolled for 12 credits in each term. His EFC is $375 and his cost of attendance (COA) is $3,350.

Step 1: Enrollment Status

Fall Enrollment: __________

Spring Enrollment: __________

Step 2: COA

Bill's COA = $__________

Step 3: Annual Award

Bill's Annual Award = $_________

Practice – Formula 1

Steps 1 to 3 for Janet

Janet is enrolled in the same program as Bill. She is enrolled for 12 credits in the fall, and 6 credits in the spring. Her EFC is $1,050 and her cost of attendance (COA) is $3,850. She had $500 additional transportation costs because she lives out of state.

Step 1: Enrollment Status

Fall Enrollment: __________

Spring Enrollment: __________

Step 2: COA

Janet's COA = $__________

Step 3: Annual Award

Janet's Fall Annual Award = $_________

Janet's Spring Annual Award = $_________

Practice - Formula 1

Steps 4 and 5 for Bill

Student:	**Bill**
Fall Annual Award:	$3,000
Spring Annual Award:	$3,000

Step 4: Payment Period

Bill's payment periods are _________________________.

Step 5: Payment Per Payment Period

Fall (annual award ÷ 2) $________________________

Spring (annual award ÷ 2) $________________________

Rounding Rules:

- If number of terms is *even*, alternate rounding. Round up for the first term if the decimal is .50 or higher. Round down for the first term is the decimal is .49 or lower.
- If there are three terms, round one way for the first two, and the other for the third. Round up for the first two terms if the decimal is .50 or higher. Round down for the first two terms if the decimal is .49 or lower.

Practice – Formula 1

Steps 4 and 5 for Janet

Student:	**Janet**
Fall Annual Award:	$2,800
Spring Annual Award:	$1,400

Step 4: Payment Period

Janet's payment periods are ________________________.

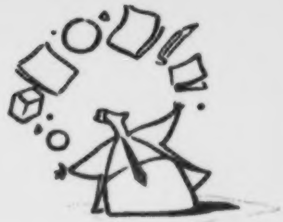
Step 5: Payment Per Payment Period

Fall (annual award ÷ 2) $________________________

Spring (annual award ÷ 2) $________________________

Rounding Rules:

- If number of terms is *even*, alternate rounding. Round up for the first term if the decimal is .50 or higher. Round down for the first term is the decimal is .49 or lower.
- If there are three terms, round one way for the first two, and the other for the third. Round up for the first two terms if the decimal is .50 or higher. Round down for the first two terms if the decimal is .49 or lower.



Case Study – Formula 1

Directions: Complete the 5 Pell calculation steps for the sample student below.

Woodride College works on the quarter system. The school defines its academic year for all programs as 30 weeks and three quarters (fall, winter, and spring). Full time in each quarter is 12 credits.

Larry is enrolled for 9 credits in each quarter. His cost of attendance (COA) is $4,200. His EFC is $675.

Step 1: Enrollment Status

Fall - ____________________
Winter - ____________________
Spring - ____________________

Step 2: Cost of Attendance

Larry's COA = $________________

Step 3: Annual Award

Fall Annual Award = $_________
Winter Annual Award = $_________
Spring Annual Award = $_________

Step 4: Payment Periods

Larry's payment periods are ______________________

Step 5: Payment per Period

During each quarter, Larry will receive $________________

Formula 3 Practice – Rhodes Academy

Step 1 - Determine Enrollment Status

Enrollment Status for Nonstandard Terms Practice

Rhodes Academy defines its academic year for **all** programs as 32 weeks and 24 semester credit hours. The year is divided into four 8-week modules.

Rachel is enrolled for 4 credit hours in each of the first two modules, and 8 credit hours in the third module. She is not able to attend during the last module this year. What is her enrollment status in each module?

Step 1: Enrollment Status

➢ ***To calculate full-time enrollment status in a nonstandard term***

$$\text{Credit hours in academic year} \quad \times \quad \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in the program's definition of an academic year}}$$

Note: If the resulting number is not a whole number, it is rounded up to the next whole number.

? Full time in one of these nonstandard terms is ________________.

➢ ***To calculate less than full-time enrollment status in a nonstandard term***

$$\frac{\text{Credit hours student takes in the nonstandard term}}{\text{Credit hours required for full-time enrollment in the nonstandard term}}$$

? *What is Rachel's enrollment status for each module?*

Module 1: __________ Module 3: __________

Module 2: __________

Formula 3 Practice

Step 2 - Prorate COA

Rhodes Academy defines its academic year for **all** programs as 32 weeks and 24 semester credit hours. Rachel is enrolled in the Music Therapy Program which consists of 21 hours and 24 weeks. The cost of attendance for full-time enrollment in the program is $5,250.

Calculate the cost of attendance for one academic year.

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*

# of hours of actual instructional time

*statutory minimum 24 semester or trimester hours, 36 quarter hours, or 900 clock hours

# of weeks in program's definition of academic year**

# of weeks of actual instructional time

**statutory minimum of 30 weeks

COA of program x Lesser of two fractions = Pell COA

X =

Formula 3 – Practice

Steps 3, 4, and 5 - Rachel

Rachel is enrolled ½ time in the first two modules and full time in the third module. She is not able to attend during the 4th module in this year. Using the cost of attendance calculated in the previous example and Rachel's EFC of $1,210, calculate the Pell Grant award for Rachel's first full academic year.

Step 3: Annual Award

Module 1: __________

Module 3: __________

Module 2: __________

Step 4: Payment Periods

Rachel has _____ payment periods.

Step 5: Payments per Period

$$\text{Annual Award} \times \frac{\textbf{Weeks of instructional time (in p.p.)}}{\text{Weeks of instructional time in program's definition of academic year}}$$

Module 1: __________

Module 3: __________

Module 2: __________

Case Study – Formula 3

Marie is enrolled at Julian Institute. The academic year is 36 quarter credit hours and 30 weeks. The year is divided into three 10-week quarters, fall/winter/spring. Julian Institute also offers two separate 5-week summer mini-sessions.

Marie is in a one-year program. Her cost of attendance is $5,400. Her less-than-half-time COA is $2,300 (because room and board, as well as personal expenses, are excluded). Her EFC is $1,350.

She will not enroll during the fall quarter. She will enroll for 4 credit hours during the winter, 12 credit hours during the spring, and 6 credit hours in each of the summer sessions.

Step 1: Enrollment Status

Full-time enrollment status in a nonstandard term is calculated using:

$$\text{credit hours in academic year} \times \frac{\text{weeks of instructional time in nonstandard term}}{\text{weeks of instructional time in program's definition of academic year}}$$

Note: If the resulting number is not a whole number, it is rounded up to the next whole number.

Less than full-time status in a nonstandard term is calculated using:

$$\frac{\text{credit hours student takes in the nonstandard term}}{\text{credit hours required for full-time enrollment in the nonstandard term}}$$

Winter __________ Summer 1: __________

Spring: __________ Summer 2: __________

Step 2: Cost of Attendance

Regular Pell COA: __________

Less-than-half-time COA: __________

Step 3: Annual Award

Winter: __________ Summer 1: __________

Spring: __________ Summer 2: __________

Step 4: Determine Payment Periods

Marie's payment periods are ________, ________, ________, & ________.

Step 5: Payment per Payment Period

$$\text{Annual Award} \times \frac{\textbf{Weeks of instructional time (in p.p.)}}{\text{Weeks of instructional time in program's definition of academic year}}$$

Winter: __________

Spring: __________

Summer 1: __________

Summer 2: __________

Calculating Pell Grants for Clock Hour and Nonterm Programs

Formula 4 - Practice - Helen
Steps 1 to 3

Tiptoe School of Ballet defines its academic year for all programs as 900 clock hours and 30 weeks. The school defines full time as 30 clock hours per week.

Helen's program is 800 clock hours and 27 weeks of instructional time. Her COA is $5,538, and her EFC is $375. Helen is enrolled for 30 clock hours per week.

Step 1: Enrollment Status

Helen's enrollment status is:

____ at least 1/2 ____ less than 1/2

Step 2: Cost of Attendance (COA)

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*

# of hours of actual instructional time

*statutory minimum 24 semester of trimester hours, 36 quarter hours, or 900 clock hours

# of weeks in program's definition of academic year**

# of weeks of actual instructional time

**statutory minimum of 30 weeks

COA of program X Lesser of two fractions = Pell Grant COA

Step 3: Helen's Annual Award: $__________

Defining Payment Periods

If the program is one academic year or less in length, divide it into at least two equal payment periods.

Example 1: 900 clock-hour academic year

880-Clock-Hour Program

440 Clock Hours | **440 Clock Hours**

If the program is longer than one academic year, and the remainder of the program is less than or equal to one half of an academic year, the final payment period is the final portion of the program.

Example 2: 900 clock-hour academic year

1200-Clock-Hour Program

450 Clock Hours | **450 Clock Hours** | **Year 1**

300 Clock Hours | **Year 2**

If the program is longer than 1.5 year, but less than 2 years, the final portion of the program is divided into at least 2 equal payment periods.

Example 3: 900 clock-hour academic year

1600-Clock-Hour Program

450 Clock Hours | **450 Clock Hours** | **Year 1**

350 Clock Hours | **350 Clock Hours** | **Year 2**

Payment Periods Practice

Hale University uses a 900-clock-hour academic year. Its Mountain Climbing program is 1650 clock hours long. Its Taxidermy program is 1250 clock hours long.
Divide Mountain Climbing into payment periods:

1st Year:		
2nd Year:		

Divide Taxidermy into payment periods:

1st Year:		
2nd Year:		

The Food Institute is a nonterm credit-hour school. Each academic year is 24 credit hours. Its Dessert Design program is 64 credit hours long.
Divide the Dessert Design program into payment periods:

1st Year:		
2nd Year:		
3rd Year:		

Formula 4 – Step 4

Now, back to Helen.

So far, we've determined the following:

Enrollment Status: ______________

Pell COA: ______________

Annual Award: ______________

Remember, Helen's program is 800 clock hours and 27 weeks of instructional time.

Step 4: Determine Payment Periods

___________clock hours & ___________clock hours

Rounding Rules (for use in Step 5):

- **If the number of payment periods is *even*, alternate rounding; whether you round up or down to start depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.**
- **If there are *three* payment periods, round one way for the first two, and the other for the 3rd; whether you round up or down the first two payment periods depends on the size of the decimal of the 1st payment period only (up if .5 or higher); disregard the decimal for all other payment periods.**

Step 5: Payment per Payment Period

Remember, the school defines its academic year as 900 clock hours and 30 weeks. The program is 800 clock hours and 27 weeks.

First, determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program

---

Weeks of instructional time in program's definition of academic year (30 min.)

Weeks of instructional time for a full-time student to complete hours in the definition of academic year

---

Weeks of instructional time in program's definition of academic year (30 minimum)

Second, compare these two fractions with "1" and use the lesser value in the calculation below.

Third, determine the adjusted annual award:

(Annual Award $________ from Step 3) X = (A)

Fourth, calculate payment per payment period:

(A) X Hours in payment period / Hours in program's def. of academic year (min. 900) =

Helen receives two payments of $__________ each, totaling $__________ for her program.

Case Study - Zoe

Computer Training College (CTC) defines full time as 30 clock hours per week. An 840-clock-hour certificate program takes a full-time student 28 weeks of instructional time to complete. The academic year is defined as 900 clock hours and 30 weeks. The cost of attendance for this program is $9,807. Zoe Marshall plans to attend CTC for this program. She has an EFC of $168. She will attend 30 clock hours per week.
Please complete Steps 1 through 5 to calculate Zoe's Pell payments.

Step:1 Enrollment Status

Zoe's enrollment status is ____________________.

Step 2: Cost of Attendance (COA)

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*

# of hours of actual instructional time

***statutory minimum 24 credit or 900 clock hours**

# of weeks in program's definition of academic year**

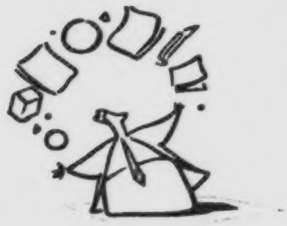
# of weeks of actual instructional time

****statutory minimum of 30 weeks**

COA of program X Lesser of two fractions above = Pell Grant COA

X =

Step 3: Annual Award - Zoe's annual award = $____________



Step 4: Determine Payment Periods

Zoe has two payment periods of __________ clock hours each.

Step 5: Determine Payment per Payment Period

First, determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program

---

Weeks of instructional time in program's definition of academic year (30 min.)

Weeks of instructional time for a full-time student to complete hours in the definition of academic year

---

Weeks of instructional time in program's definition of academic year (30 minimum)

Second, compare these two fractions with "1" and use the lesser value in the calculation below.

Third, determine the adjusted annual award:

(Annual Award $__________ from Step 3) X ______ = (A)

Fourth, use the adjusted annual award to calculate payment per payment period:

(A) X Hours in payment period / Hours in program's def. of academic year (min. 900) =

Zoe receives two payments of $__________ each, totaling $__________ for her program.

Awarding Subsidized and Unsubsidized Loans

Calculate Subsidized Need First

Remaining Need for a Subsidized Loan

COA
- EFC
- EFA
= Need for Subsidized Loan

Then calculate Unsubsidized Need

Remaining Need for an Unsubsidized Loan

COA
- EFA
= Need for Unsubsidized Loan

Practice

Tonya is a ***dependent, second-year*** student. She has a COA of $5530. Her EFC is $1,750. The only financial aid she is scheduled to receive so far is a $1,250 Pell Grant. Calculate Tonya's subsidized and unsubsidized loan amounts.

Tonya-Subsidized

COA $______
- EFC $______
- EFA $________
= Sub loan $________

Tonya - Unsubsidized Initial Eligibility

COA $________
- EFA $________
= Unsub $________

Remember that Tonya, as a second year dependent student, is subject to an annual loan limit of $3,500. She is going to receive a $______ subsidized loan. Subtract that amount from her annual loan limit of $3,500 to determine the unsubsidized loan you may actually award to her. How much unsubsidized loan may you actually award her? $_______

Additional Amounts Available

Additional Amounts Available to Independent Students and Dependent Students Whose Parents are Denied a PLUS Loan

Additional Unsubsidized Eligibility

COA $________
- EFA $________
= Unsub $________

This amount is unsubsidized!

Practice – Additional Amount

Tonya's parents tried to borrow a PLUS loan but were denied because of adverse credit. Now Tonya is eligible for additional unsubsidized funds.

Remember, Tonya's COA is $5,530. She is already slated to receive loans totaling $3,500 and her Pell Grant of $1,250. How much additional unsubsidized loan can Tonya get?

Tonya's Additional Unsubsidized Amount

COA $________
- EFA $________
= Add'l Unsub $________

Remember, the additional amount may not exceed the additional loan limit of $4,000.

Proration

What **is loan proration?** **A reduction of an *undergraduate* student's loan maximum.**

- Do not prorate PLUS loans or graduate/professional student loans.
- Do not prorate loans for preparatory coursework or teacher certification coursework.

When **must you prorate?**

- Student's entire program is **less than one statutory academic year** (900 clock hour minimum).
  example:
  600 clock-hour program

- Student's program is **greater than 1 academic year, but *final period of study* is less than 1 academic year** .
  example:
  - 1350 clock-hour, 45-week program
  - 900 clock-hour, 30-week academic year
  - Year 1: 900 clock hours; no proration
  - Year 2: 450 clock hours; ***proration required***

  example:
  - 3.5 year program, 2 terms per year
  - Years 1-3: no proration
  - Year 4: 1 term remaining, ***proration required***

- Final period of study is measured in terms for term-based schools, and hours or weeks for nonterm schools.

When to Prorate

Practice

Michael is enrolled in a computer training program that is 600 clock hours and 15 weeks long. The academic year at his school is 900 clock hours and 30 weeks.

Is proration required for Michael? Why or why not?

Charlene is beginning her second year of a two-year program. Her school measures progress in 15-week terms, with an academic year of 30 weeks, 24 hours. Because Charlene took classes in the summer at the end of her first year, she only has 18 credits remaining for her program. She decides to take all 18 credits the first semester of the second year, completing the program in December.

Is proration required for Charlene? Why or why not?

Charlene changes her mind, and decides to take 6 credits in the fall semester of her second year, and 12 credits in the spring semester.

Is proration required in this case? Why or why not?

How to prorate

➔ When the ***program of study*** **is shorter than an academic year,** always use first year loan limits:

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in the Academic Year}}$$

or

$$\frac{\text{Number of weeks enrolled}}{\text{Number of weeks in the Academic Year}}$$

Reduce these fractions to a decimal. Use the smaller number to multiply by the annual limit to get the prorated amount.

PRACTICE

Michael's program:	600 clock hours, 15 weeks
Michael's loan limit:	$2,625

What is his prorated loan limit? ____________________

➔ When the ***remaining period of study*** **is shorter than an academic year**

$$\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled}}{\text{Number of semester, trimester, quarter, or clock hours in the Academic Year}}$$

Multiply this fraction by the annual limit to get the prorated amount. Always use only the hours fraction.

PRACTICE

Charlene's program:	18 credit hours remaining
Charlene's loan limit:	$3,500

What is her prorated loan limit? ____________________

Frequency of Annual Loan Limits

Standard	Term-Based Programs	Nonterm Programs
Scheduled Academic Year (SAY)	• Begins at the same time each year • School must use a SAY that meets the statutory requirements of an academic year • Loan period does not have to include all terms in SAY • Borrower always regains eligibility at beginning of SAY • Total of all loans borrowed within SAY must be within annual limit for student's grade level • After original loan, additional loans are permissible during SAY if: · Student has remaining eligibility; or · Student progresses to a grade level with a higher annual loan limit • Summer term may be a "leader" or "trailer" per: · Strict policy; · By program; or · Case by case • Summer mini-sessions may be treated as a single term or individual terms assigned to different SAYs	• **Not applicable**

Frequency of Annual Loan Limits

Standard	Term-Based Programs	Nonterm Programs
Borrower-Based Academic Year (BBAY)	• Floats with student's enrollment • School may use if SAY meets statutory requirements of an AY • Total of all loans borrowed within BBAY must be within annual loan limit for student's grade level requirements • After original loan, additional loans are permissible during an BBAY if: · Student has remaining eligibility; or · Student progresses to a grade level with a higher annual loan • Length of BBAY must equal number of terms in SAY (not including SAY summer leader or trailer): · Number of hours/weeks in BBAY need not meet 30-week minimum if BBAY includes a summer term · BBAY must begin with term in which student actually enrolls · BBAY may include terms student does not attend if student could have enrolled at least half time • Mini-sessions must be treated as a single term · Student need not enroll in each mini-session but must have been able to enroll at least half time in each • School may use BBAY for: · All students; · Certain programs; or · Certain students • May alternate SAY and BBAY for a student if academic years do not overlap	• **BBAY** must meet the minimum statutory requirements for an AY • Student may not borrow additional loan until student completes minimum number of weeks **and** credit or clock hours in AY

True or False?

1) Interest is paid by the U.S. Department of Education on a subsidized loan. _____

2) A student's loan can be either subsidized or unsubsidized, but the additional amount, if eligible, will only involve unsubsidized funds. _____

3) Proration is required if the remainder of a program is less than 30 weeks. _____

4) Proration is required if the *program* is less than a statutory academic year in weeks or hours. _____

5) Loan limit for a first year student is $2,625, unless he/she is also eligible for the additional amount, in which case, the limit is $6,625. _____

6) Students wanting a Direct Loan or an FFEL must complete an application besides the FAFSA. _____

7) PLUS borrowers must always complete a FAFSA. _____

8) Loans for graduate students and PLUS loans must be prorated. _____

9) Defaulted loans can be consolidated with the Direct Consolidation Loan program and the FFEL Consolidation Loan program. _____

10) Only PLUS loans require a signed promissory note. _____

Awarding Campus-Based Funds

Federal Supplemental Educational Opportunity Grants (FSEOG)

For undergraduates only

Considerations in awarding FSEOG:

- Award Pell recipients with lowest EFCs first
- Award non-Pell recipients with the lowest EFCs second
- Reserve "reasonable" percentage of funds for independent students or students enrolled less-than-full time
- If rolling admissions, reserve funds for all start dates
- You must develop a written selection procedure
- Minimum Award = $100
- Maximum Award = $4,000

Brooke

Since Brooke's EFC is so high, he probably would not receive an FSEOG because the school must go to Pell recipients with the lowest EFCs first.

Federal Work Study (FWS)

For undergraduates and graduate students

Gross wages
- Job-related expenses
- Applicable taxes

= STUDENT'S NET EARNINGS

Federal Work Study Job Descriptions

Must pay at least federal minimum wage - state minimum, if higher. Job descriptions for FWS jobs should contain the following:

- name, address of student's employer
- purpose of student's job
- student's duties and responsibilities
- job qualifications
- job's wage rate or range
- length of student's employment
- name of student's supervisor

Must reserve "reasonable" percentage of funds for independent students or students enrolled less-than-full time

Must expend at least 7% of its FWS federal allocation to pay students employed in community-service jobs. If the school later receives a supplemental allocation, then the school must expend the greater of:

- 7% of the new total allocation, or
- the amount of the supplemental allocation

Note: To be sure 7% is **expended**, you should **award** more than 7%, in case some students decide not to take the jobs.

Must have at least one student working as a reading tutor.

What about Federal Work Study for Brooke?

Federal Perkins Loan Program

For undergraduates and graduate students

Annual Maximum - **$4,000** undergrad; **$6,000** grad
Aggregate Maximum - **$20,000** undergrad; **$40,000** grad
(aggregate for grad **includes** undergrad amount)
$8,000 cumulative for undergraduates who have not yet completed two years of a program of study

School determines amount of student's loan by following its previously established policy.

- 5% interest rate
- Revolving fund: as students repay their loans to the school, school is able to loan money to other students
- School does own collection or contracts with someone else to do it.
- Many cancellation, deferment, and forbearance conditions
- Student signs a promissory note: two different types are open ended and closed ended
- Must reserve "reasonable" percentage of funds for independent students or students enrolled less-than-full time
- Entrance and exit counseling required

What about Perkins for Brooke?

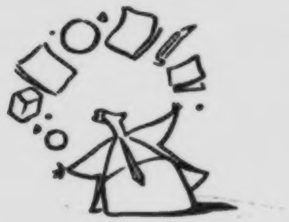
Awarding Campus-Based Funds

Must consider all sources of aid (resources) in awarding Campus-Based funds.

- Resources are:
- Pell Grant
- All educational loans
- Veteran's educational benefits
- Scholarships, internships, fellowships
- Tuition/fees waivers
- Net earnings from need-based jobs
- Americorps benefits

Assume that you have funds available and Brooke fits your school criteria for receiving funds from your FWS and Perkins programs.

What would you award to Brooke?



Overaward Scenarios

Correcting Campus-Based Overawards

Jamie: Hilltop College
Jamie attends Hilltop College. Her need is $8,900.

COA $10,000
- EFC $ 1,100
= Need $ 8,900

The school has awarded her the following package:

Pell Grant	$2,700
FSEOG	$3,000
Federal Perkins	$2,000
Federal Work Study	$1,200
TOTAL	$8,900

After the school packages her aid, Jamie receives a $900 scholarship from a youth organization.

1) Has Jamie been overawarded? ________________
2) How much is the overaward (if any)? __________
3) Repackage Jamie's aid to correct the overaward.

Pell Grant	________________
FSEOG	________________
Federal Perkins	________________
Federal Work Study	________________
Youth Scholarship	________________
TOTAL	________________

Marilyn: Community College

COA	**$6,150**
- EFC	**$1,450**
=Need	**$4,700**

The school has awarded her the following package:

Pell Grant	$2,300
FSEOG	$2,000
TOTAL	$4,300

1) If Marilyn receives a merit scholarship of $450, what must the school do?____
2) What must the school do if she receives a scholarship of $700?____
3) What must the school do if the scholarship is for $1,200?

   ____
4) What should the school do if Marilyn takes a job after class at a health spa that is owned by a family friend?

   ____
5) Marilyn asks for a Federal Work-Study job to make up her remaining need of $400. After she has been on the job for two weeks, she receives a $500 American Legion Award. What must the school do?

It depends. If she has earned __________or more on her FWS job, then the $500 scholarship creates an overaward beyond the $300 threshold. The school must ______________________________

If she has earned____________ on her FWS job, the overaward is at or below $300. This means that the school ____________________

____

Joshua: Jackson College

Joshua plans to attend Jackson College. His need is as follows:

COA	**$7,750**
EFC	**$ 0**
Need	$7,750

The school has awarded him the following package:

Pell Grant	$3,750
Subsidized Stafford	$4,000
TOTAL	$7,750

His subsidized loan for $4,000 is certified, but the loan proceeds have not yet been received by the school. The aid administrator learns that Joshua has just been awarded a full $4,000 scholarship from a private foundation. Is this an overaward?

What must the school do?

221

Arlene: Jackson College

Arlene has an aid package based on the following need:

COA	**$7,750**
EFC	**$ 0**
Need	**$7,750**

The school has awarded the following package:

Pell Grant	$3,750
FSEOG	$2,000
Subsidized Stafford	$2,000
TOTAL	$7,750

The subsidized loan proceeds have been received by the school, but not yet delivered to Arlene, when she receives a $1,500 civic-club scholarship. Is this an overaward?

What does the school need to do?

What will Arlene's new financial aid package look like?

Bruce: Towson College

Bruce has an aid package for Towson College based on:

COA	**$7,750**
EFC	**$ 0**
Need	$7,750

The school has awarded the following aid:

Pell Grant	$3,750
FSEOG	$2,000
FWS	$1,000
Subsidized Stafford	$1,000
TOTAL	$7,750

The loan proceeds have been received by the school. The first installment of $500 has been delivered to Bruce when he receives a $700 scholarship.

Is this an overaward?

What does the school need to do?

What will Bruce's new financial aid package look like?

Professional Judgment Scenario #1

Larissa comes to you the day before classes begin. She explains that the father of her 3-year-old daughter is unemployed and has stopped paying child support of $500 per month. Larissa fears that this income reduction will make her unable to pay for any educational expenses not covered by financial aid. Her EFC is currently $420. She asks if there is anything you can do to help.

What kind of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #2

Kathy has received the award letter from your school. She finds that she is being offered far less financial aid than last year at a different school. She finds that her father's lump sum retirement payment has caused the base year AGI to be inflated. She points out that it was a one-time situation. Can you do anything for her?

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #3

Samantha is under 24 years of age. She has a child of her own, who lives with her and her boyfriend. Frank, her boyfriend, pays for her school expenses and living expenses. She doesn't work. She was selected for verification and has stated on the Verification Worksheet that she had only earned $200.

She wants you to make her independent.

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #4

Shawn is concerned because his father is unemployed and has been since February. This situation has caused the family to start cutting costs, just to enable them to pay for living costs. The parents' base-year income has caused an EFC of $1,250. Shawn asks you if there's any other financial aid available to him.

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #5

While speaking with Connie, you find that her father has been quite ill. He's had several surgeries and the bills have now exceeded the amount that the insurance company will cover. Connie's family is now having problems financially. Connie is concerned that she will have to drop out of school. She's requesting information/assistance from you.

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #6

John is attending your school. His ex-wife has an opportunity to accept a 6-month assignment overseas. She has asked John to keep their two children for the duration of the assignment. John stops to talk with you about his situation. He's finding that he's missed some school due to his children's illness. He also didn't realize that babysitting and other expenses would increase so much. Can you help him?

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #7

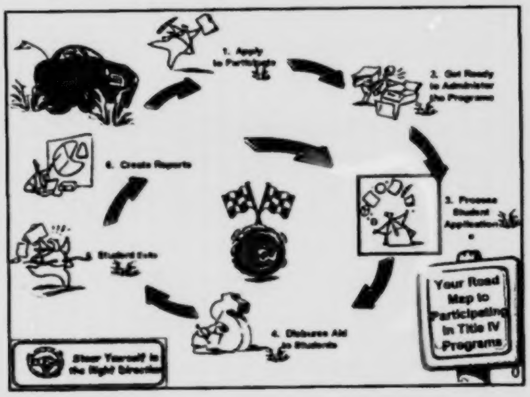
Yvonne is a dependent student. She comes to you to ask for assistance. She can't get her parent's tax returns so that she can complete the FAFSA. Her parents have kicked her out of their house and want nothing to do with her. She's been staying with friends. She says she suffered physical abuse at home and the most recent argument with her parents was the final straw. Can you help her?

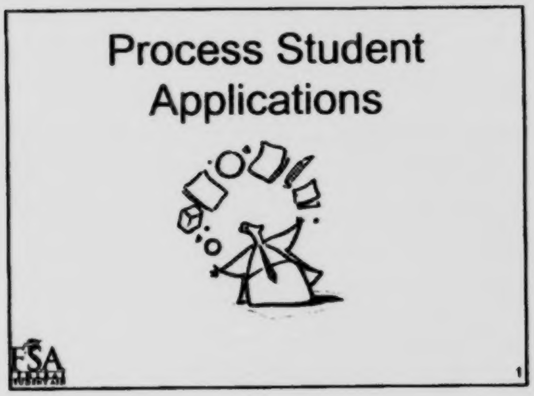
What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

Professional Judgment Scenario #8

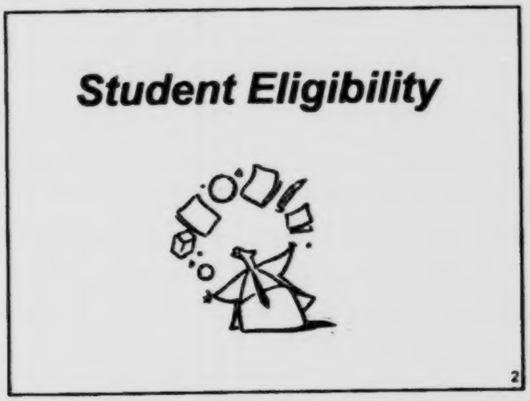
Dannelle is now finding that her nursing course will include various expenses that she was not aware of. She is working at a hospital that is 50 miles away. She is earning credits toward her degree. She can't afford the gasoline and occasional overnight stays at hotels. Can you help her?

What type of documentation would you request?
Would you exercise professional judgment? Why?
What type of adjustment(s) would you make?

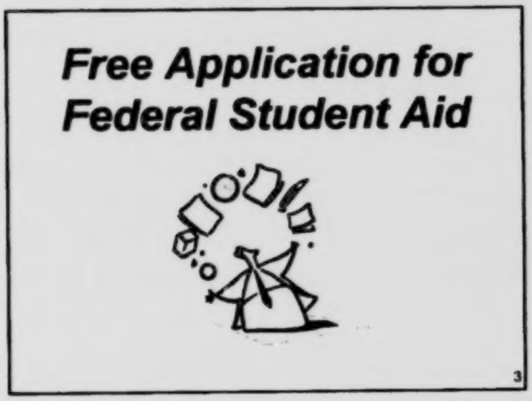

1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Directio



Process Student Applications



Student Eligibility



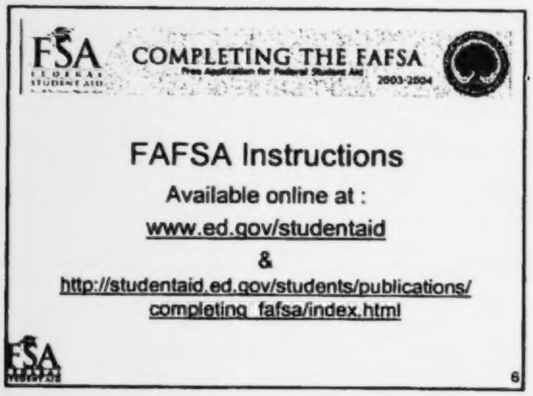
Free Application for Federal Student Aid

Central Processing System (CPS)

- ❖ Edits data for errors
- ❖ Matches student information with other agency databases (e.g., Social Security Administration and Department of Homeland Security)
- ❖ Calculates EFC
- ❖ Sends output documents
  - ➔ Paper or electronic output to students, electronic file to schools

Expected Family Contribution (EFC)

- ❖ Represents amount student and family are expected to contribute to student's education


FSA
FEDERAL STUDENT AID
COMPLETING THE FAFSA
Free Application for Federal Student Aid
2003-2004

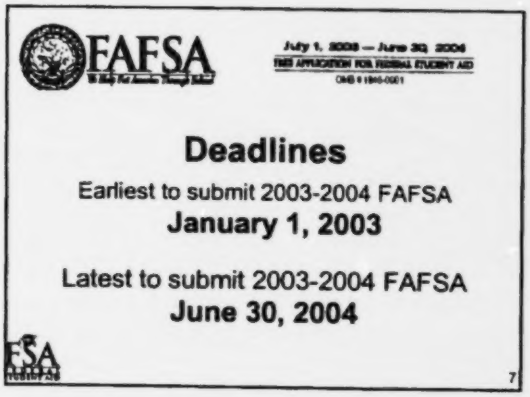
FAFSA Instructions

Available online at :

www.ed.gov/studentaid

&

http://studentaid.ed.gov/students/publications/completing_fafsa/index.html


FAFSA
July 1, 2003 — June 30, 2004
FREE APPLICATION FOR FEDERAL STUDENT AID
OMB # 1845-0001

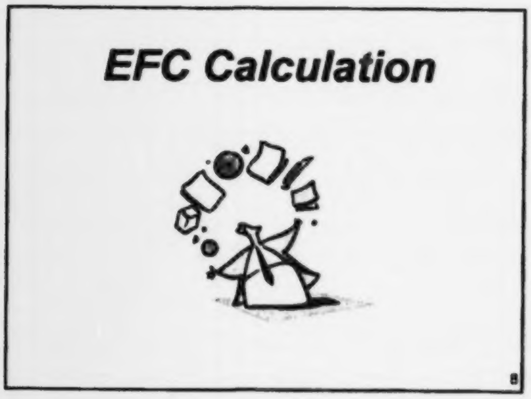
Deadlines

Earliest to submit 2003-2004 FAFSA

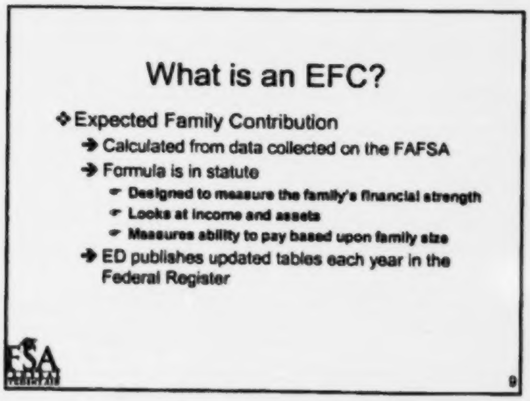
January 1, 2003

Latest to submit 2003-2004 FAFSA

June 30, 2004

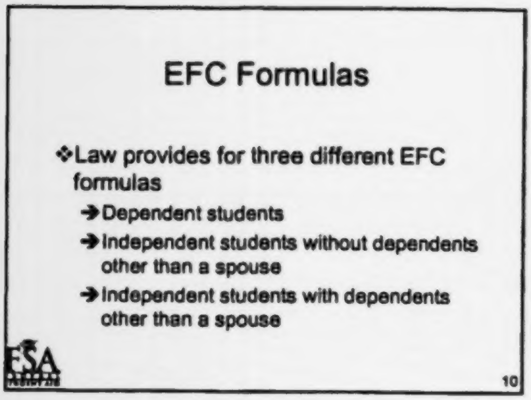


EFC Calculation



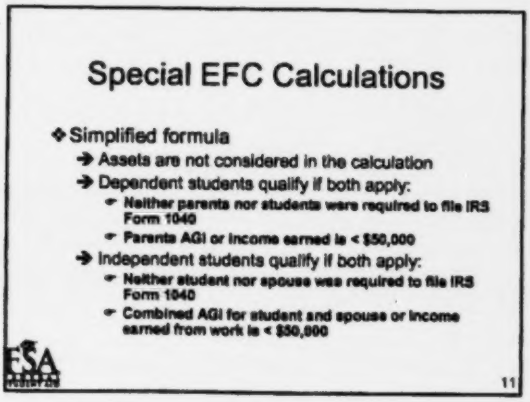
What is an EFC?

- Expected Family Contribution
  - Calculated from data collected on the FAFSA
  - Formula is in statute
    - Designed to measure the family's financial strength
    - Looks at income and assets
    - Measures ability to pay based upon family size
  - ED publishes updated tables each year in the Federal Register



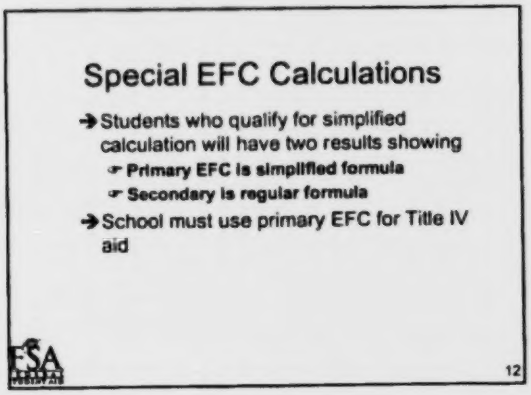
EFC Formulas

- Law provides for three different EFC formulas
  - Dependent students
  - Independent students without dependents other than a spouse
  - Independent students with dependents other than a spouse



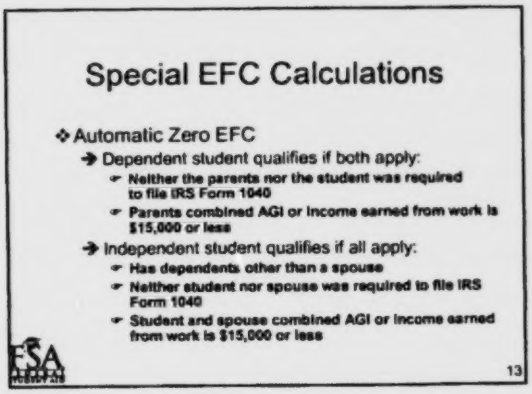
Special EFC Calculations

- Simplified formula
  - Assets are not considered in the calculation
  - Dependent students qualify if both apply:
    - Neither parents nor students were required to file IRS Form 1040
    - Parents AGI or income earned is < $50,000
  - Independent students qualify if both apply:
    - Neither student nor spouse was required to file IRS Form 1040
    - Combined AGI for student and spouse or income earned from work is < $50,000



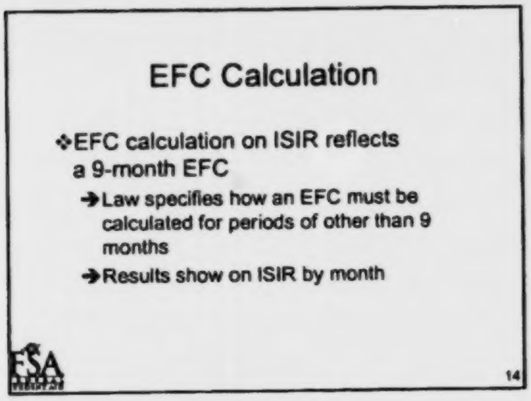
Special EFC Calculations

- ➔Students who qualify for simplified calculation will have two results showing
  - **Primary EFC is simplified formula**
  - **Secondary is regular formula**
- ➔School must use primary EFC for Title IV aid



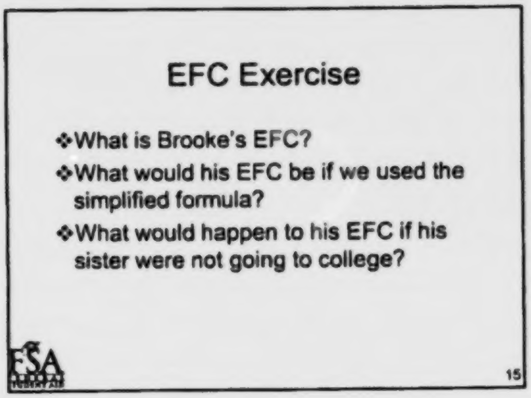
Special EFC Calculations

- ❖Automatic Zero EFC
  - ➔Dependent student qualifies if both apply:
    - **Neither the parents nor the student was required to file IRS Form 1040**
    - **Parents combined AGI or income earned from work is $15,000 or less**
  - ➔Independent student qualifies if all apply:
    - **Has dependents other than a spouse**
    - **Neither student nor spouse was required to file IRS Form 1040**
    - **Student and spouse combined AGI or income earned from work is $15,000 or less**



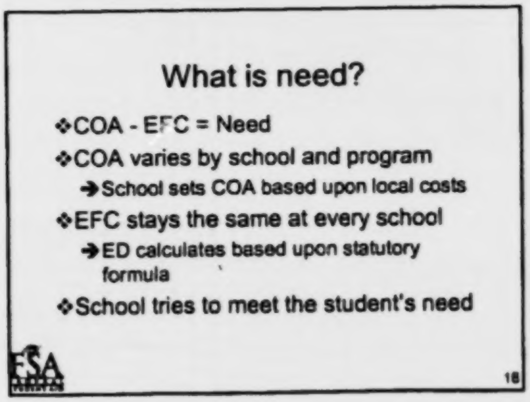
EFC Calculation

- ❖EFC calculation on ISIR reflects a 9-month EFC
  - ➔Law specifies how an EFC must be calculated for periods of other than 9 months
  - ➔Results show on ISIR by month



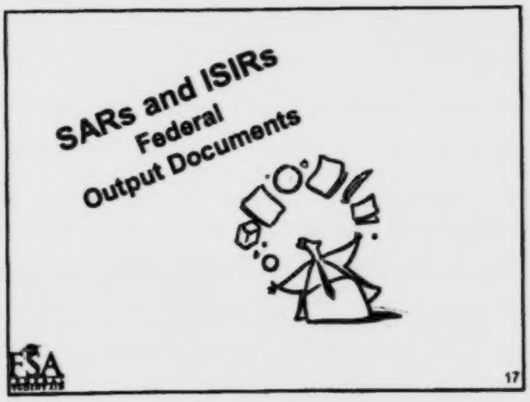
EFC Exercise

- ❖What is Brooke's EFC?
- ❖What would his EFC be if we used the simplified formula?
- ❖What would happen to his EFC if his sister were not going to college?

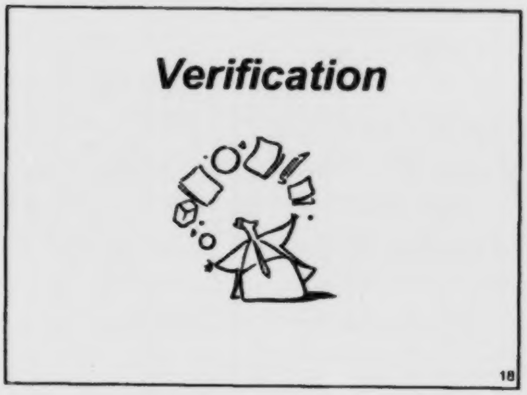


What is need?

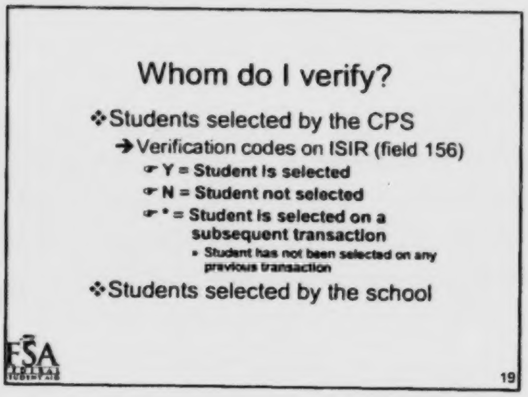
- ❖COA - EFC = Need
- ❖COA varies by school and program
  - ➔School sets COA based upon local costs
- ❖EFC stays the same at every school
  - ➔ED calculates based upon statutory formula
- ❖School tries to meet the student's need



SARs and ISIRs
Federal
Output Documents

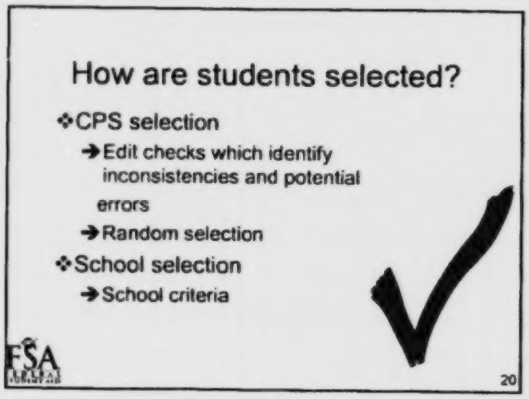


Verification



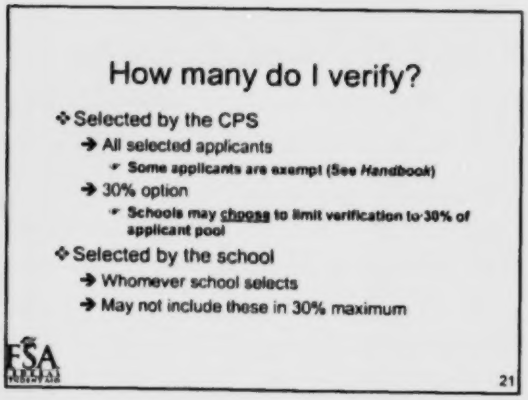
Whom do I verify?

- Students selected by the CPS
  - Verification codes on ISIR (field 156)
    - **Y = Student is selected**
    - **N = Student not selected**
    - *** = Student is selected on a subsequent transaction**
      - **Student has not been selected on any previous transaction**
- Students selected by the school



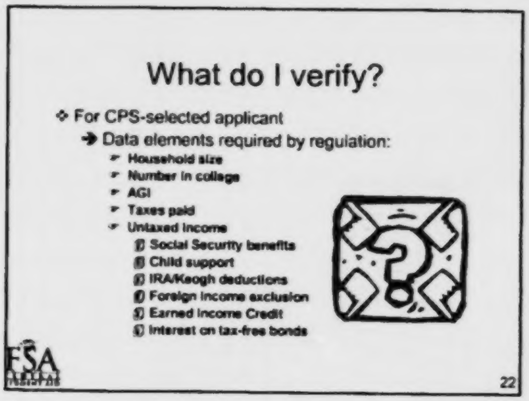
How are students selected?

- CPS selection
  - Edit checks which identify inconsistencies and potential errors
  - Random selection
- School selection
  - School criteria



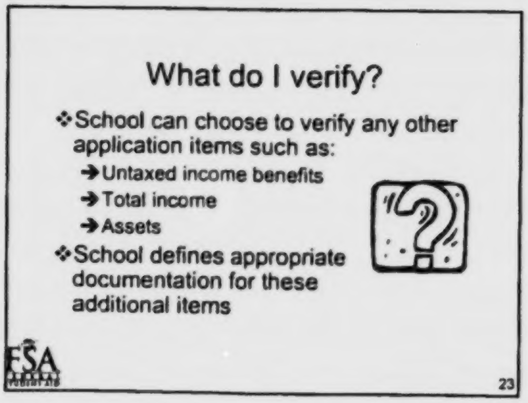
How many do I verify?

- Selected by the CPS
  - All selected applicants
    - **Some applicants are exempt (See *Handbook*)**
  - 30% option
    - **Schools may choose to limit verification to 30% of applicant pool**
- Selected by the school
  - Whomever school selects
  - May not include these in 30% maximum



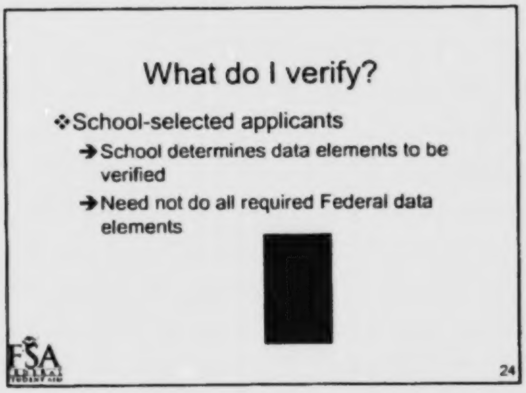
What do I verify?

- For CPS-selected applicant
  - Data elements required by regulation:
    - **Household size**
    - **Number in college**
    - **AGI**
    - **Taxes paid**
    - **Untaxed income**
      - **Social Security benefits**
      - **Child support**
      - **IRA/Keogh deductions**
      - **Foreign income exclusion**
      - **Earned Income Credit**
      - **Interest on tax-free bonds**



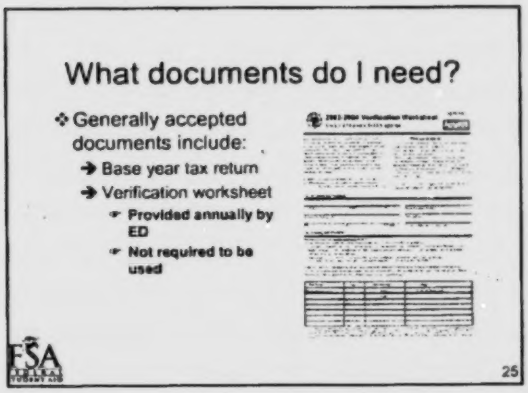
What do I verify?

- School can choose to verify any other application items such as:
  - Untaxed income benefits
  - Total income
  - Assets
- School defines appropriate documentation for these additional items



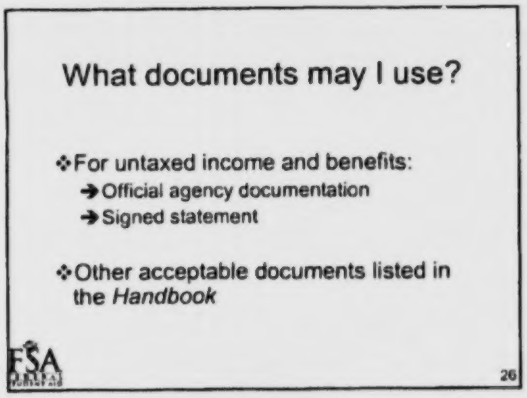
What do I verify?

- School-selected applicants
  - School determines data elements to be verified
  - Need not do all required Federal data elements



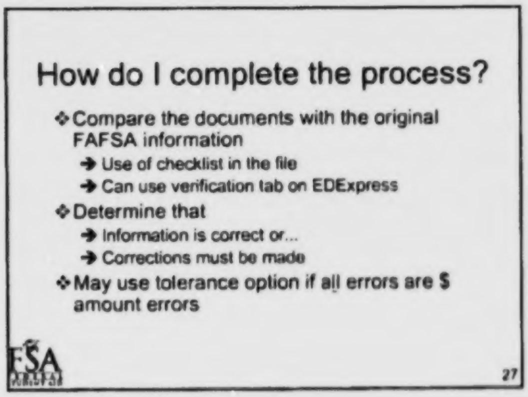
What documents do I need?

- Generally accepted documents include:
  - Base year tax return
  - Verification worksheet
    - **Provided annually by ED**
    - **Not required to be used**



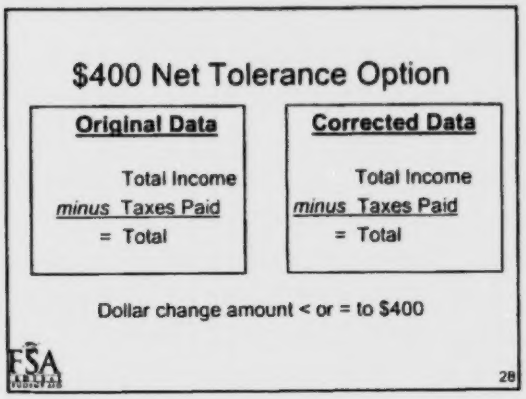
What documents may I use?

- For untaxed income and benefits:
  - Official agency documentation
  - Signed statement
- Other acceptable documents listed in the *Handbook*



How do I complete the process?

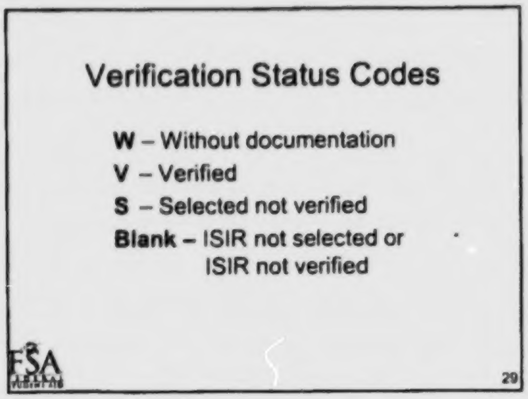
- Compare the documents with the original FAFSA information
  - Use of checklist in the file
  - Can use verification tab on EDExpress
- Determine that
  - Information is correct or...
  - Corrections must be made
- May use tolerance option if all errors are $ amount errors



$400 Net Tolerance Option

Original Data	**Corrected Data**
Total Income	Total Income
minus Taxes Paid	*minus* Taxes Paid
= Total	= Total

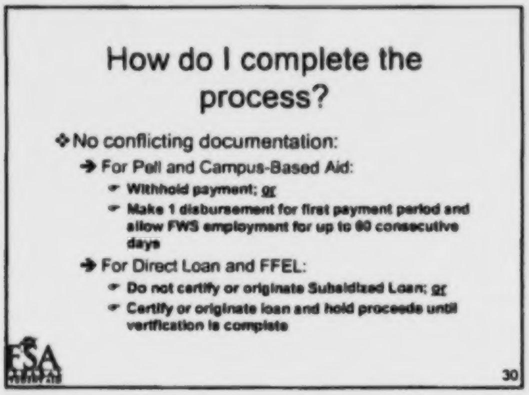
Dollar change amount < or = to $400



Verification Status Codes

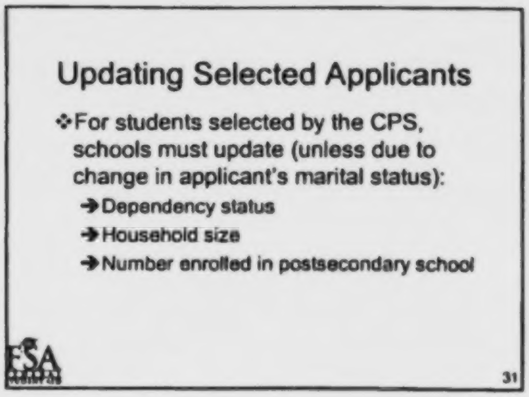
W – Without documentation
V – Verified
S – Selected not verified
Blank – ISIR not selected or ISIR not verified

BEST COPY AVAILABLE



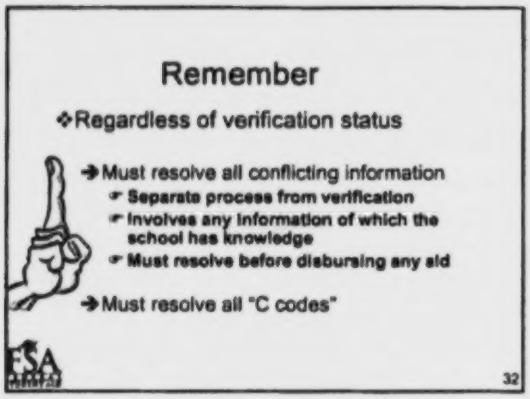
How do I complete the process?

- No conflicting documentation:
  - For Pell and Campus-Based Aid:
    - **Withhold payment; or**
    - **Make 1 disbursement for first payment period and allow FWS employment for up to 60 consecutive days**
  - For Direct Loan and FFEL:
    - **Do not certify or originate Subsidized Loan; or**
    - **Certify or originate loan and hold proceeds until verification is complete**



Updating Selected Applicants

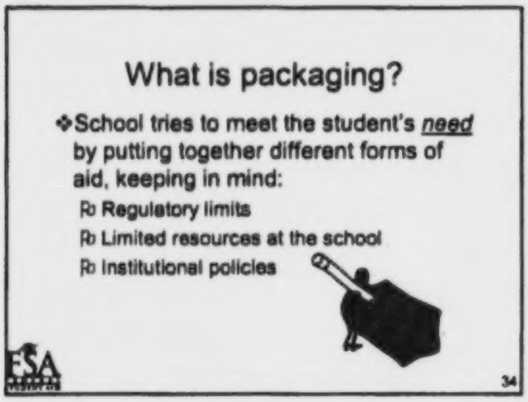
- For students selected by the CPS, schools must update (unless due to change in applicant's marital status):
  - Dependency status
  - Household size
  - Number enrolled in postsecondary school



Remember

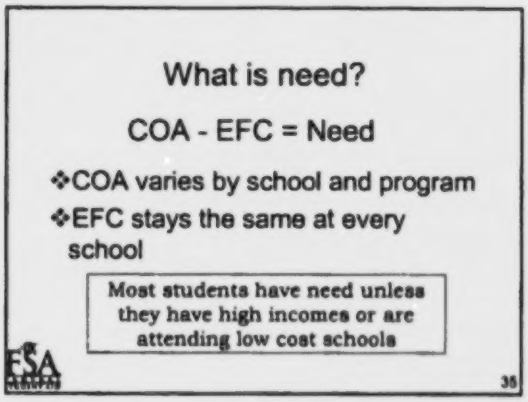
- Regardless of verification status
  - Must resolve all conflicting information
    - **Separate process from verification**
    - **Involves any information of which the school has knowledge**
    - **Must resolve before disbursing any aid**
  - Must resolve all "C codes"

Packaging



What is packaging?

- School tries to meet the student's *need* by putting together different forms of aid, keeping in mind:
  - Regulatory limits
  - Limited resources at the school
  - Institutional policies

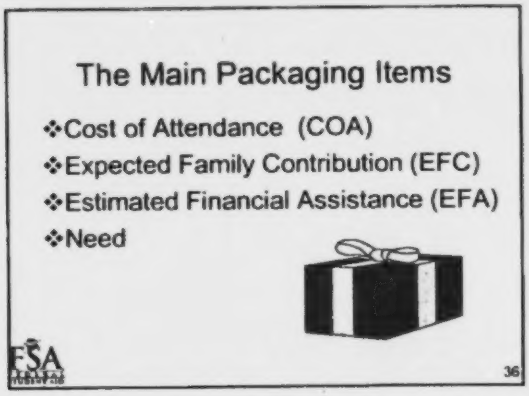


What is need?

COA - EFC = Need

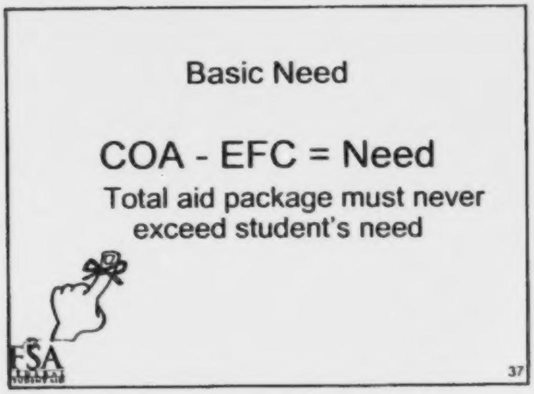
- COA varies by school and program
- EFC stays the same at every school

Most students have need unless they have high incomes or are attending low cost schools



The Main Packaging Items

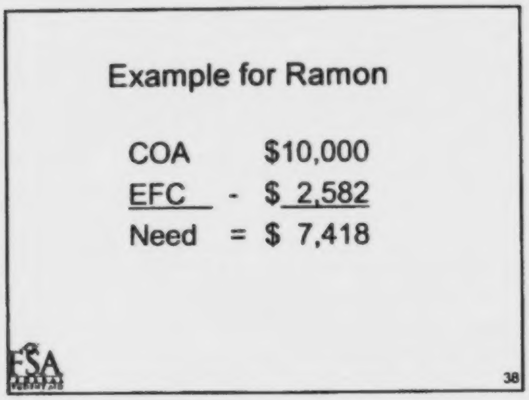
- ❖Cost of Attendance (COA)
- ❖Expected Family Contribution (EFC)
- ❖Estimated Financial Assistance (EFA)
- ❖Need



Basic Need

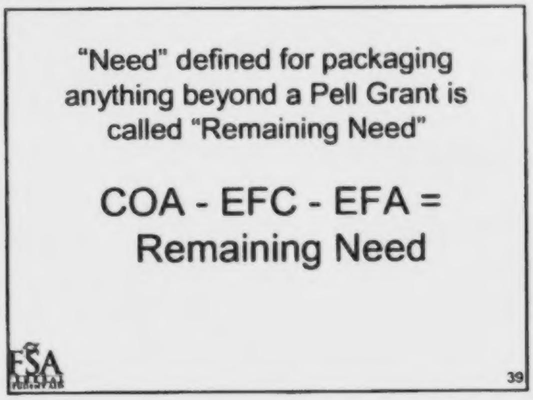
COA - EFC = Need

Total aid package must never exceed student's need



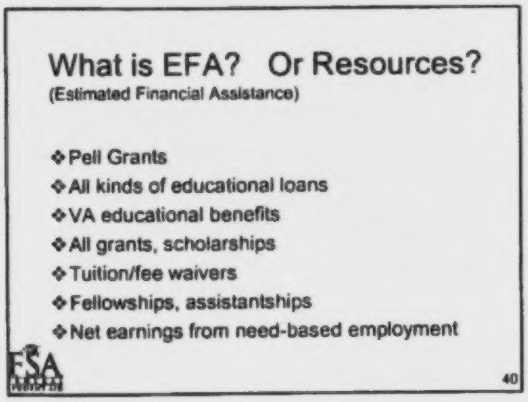
Example for Ramon

COA		$10,000
EFC	-	$ 2,582
Need	=	$ 7,418



"Need" defined for packaging anything beyond a Pell Grant is called "Remaining Need"

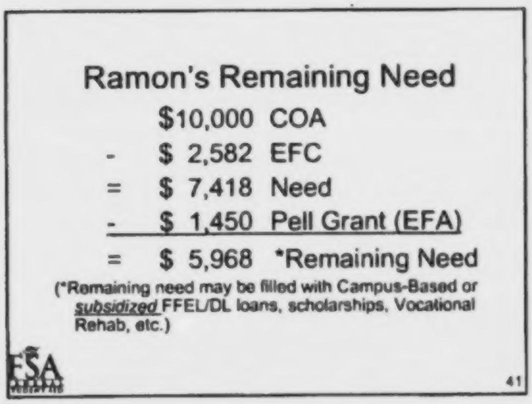
COA - EFC - EFA = Remaining Need



What is EFA? Or Resources?

(Estimated Financial Assistance)

- ❖Pell Grants
- ❖All kinds of educational loans
- ❖VA educational benefits
- ❖All grants, scholarships
- ❖Tuition/fee waivers
- ❖Fellowships, assistantships
- ❖Net earnings from need-based employment



Ramon's Remaining Need

	$10,000	COA
-	$ 2,582	EFC
=	$ 7,418	Need
-	$ 1,450	Pell Grant (EFA)
=	$ 5,968	*Remaining Need

(*Remaining need may be filled with Campus-Based or *subsidized* FFEL/DL loans, scholarships, Vocational Rehab, etc.)

Ramon's Package #1

(Assume school *does not* participate in Campus-Based Programs)

	$7,418	Need
	$1,450	Pell Grant
=	$5,968	Remaining Need
-	$2,625	Subsidized FFEL
	$3,343	Remaining Need

Loan amount must not exceed annual max. *and* Pell + Loan must not exceed need

Ramon's Package #2

(Assume school *does not* participate in Campus-Based Programs and student gets scholarship)

	$7,418	Need
-	$1,450	Pell Grant
=	$5,968	Remaining Need
-	$4,000	ROTC Scholarship
	$1,968	Subsidized Loan

(Pell + scholarship *and* annual loan maximum determines subsidized loan amount)

Ramon's Package #3

(Assume school *does participate* in Campus-Based Programs and student gets scholarship)

	$7,418	Need
-	$1,450	Pell Grant
=	$5,968	Remaining Need
-	$4,000	ROTC Scholarship
	$1,968	Remaining Need
-	$ 500	Perkins Loan
-	$1,468	FWS
	0	Remaining Need

Federal Pell Grants: Definitions, Formulas, & Special Issues

Pell Grants

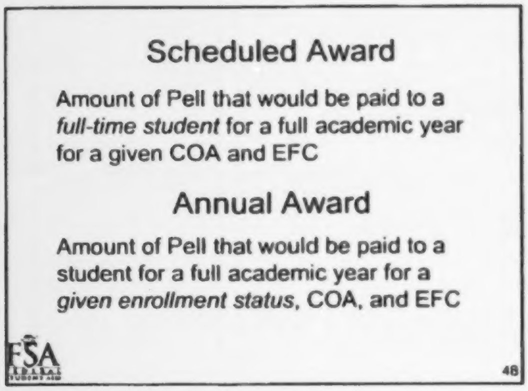
- For undergraduates and some very specific post-baccalaureate programs
- Not incarcerated in a federal or state penal institution
- All other general student eligibility requirements apply
- 2003-2004 maximum award $4050

Academic Year Minimums

Statutory Definition of an Academic Year

[illegible]		
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

*** Number of hours that student enrolled full time is expected to complete in a full academic year.**

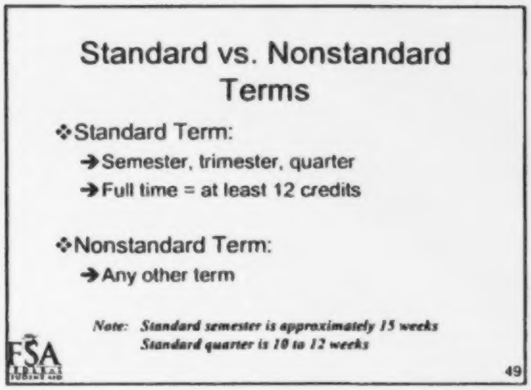


Scheduled Award

Amount of Pell that would be paid to a *full-time student* for a full academic year for a given COA and EFC

Annual Award

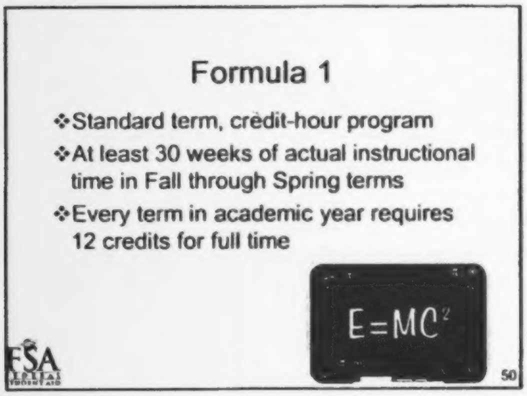
Amount of Pell that would be paid to a student for a full academic year for a *given enrollment status*, COA, and EFC



Standard vs. Nonstandard Terms

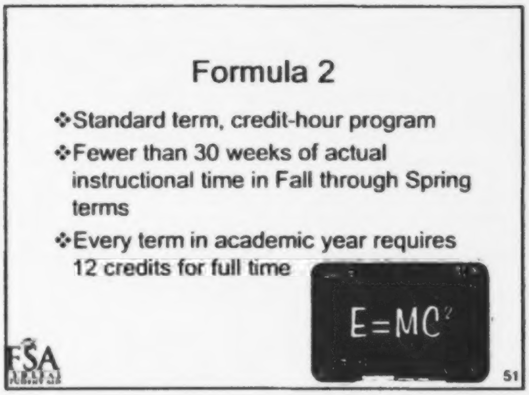
- Standard Term:
  - Semester, trimester, quarter
  - Full time = at least 12 credits
- Nonstandard Term:
  - Any other term

***Note:** Standard semester is approximately 15 weeks*
Standard quarter is 10 to 12 weeks



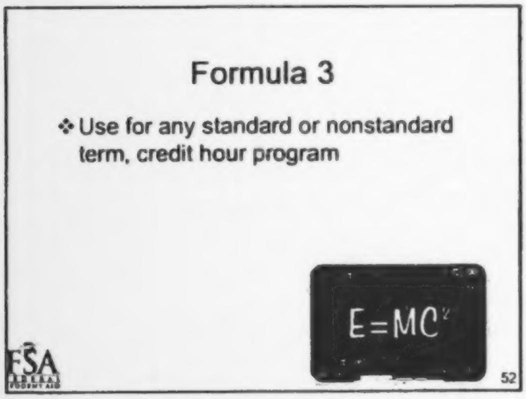
Formula 1

- Standard term, credit-hour program
- At least 30 weeks of actual instructional time in Fall through Spring terms
- Every term in academic year requires 12 credits for full time



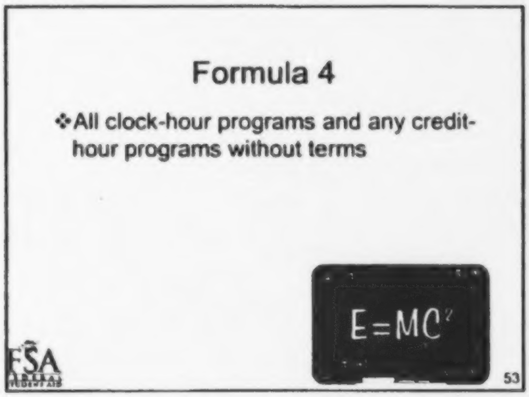
Formula 2

- Standard term, credit-hour program
- Fewer than 30 weeks of actual instructional time in Fall through Spring terms
- Every term in academic year requires 12 credits for full time



Formula 3

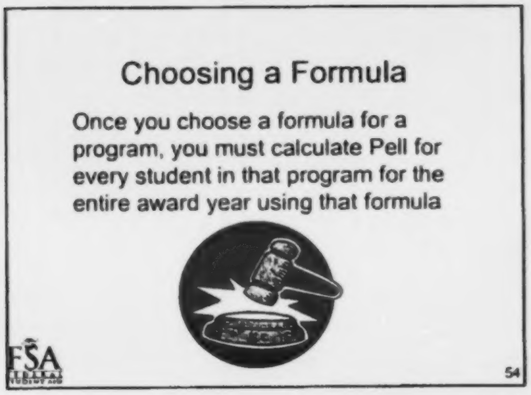
- Use for any standard or nonstandard term, credit hour program



Formula 4

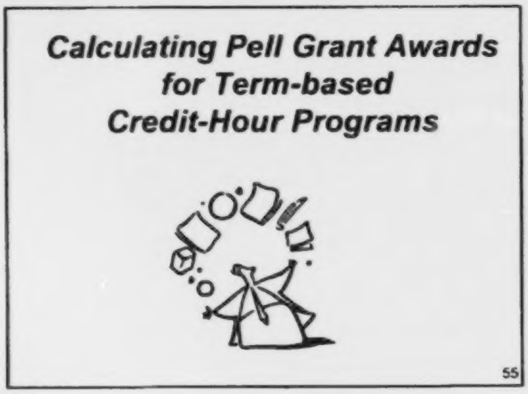
- All clock-hour programs and any credit-hour programs without terms

BEST COPY AVAILABLE

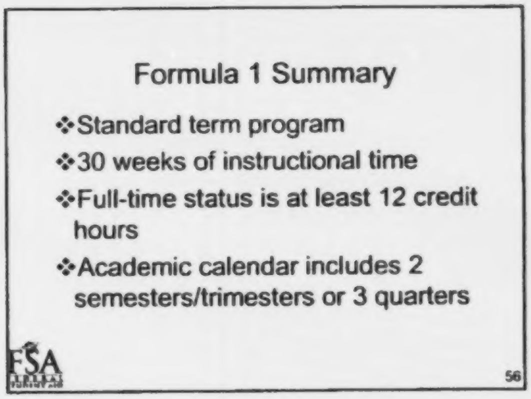


Choosing a Formula

Once you choose a formula for a program, you must calculate Pell for every student in that program for the entire award year using that formula

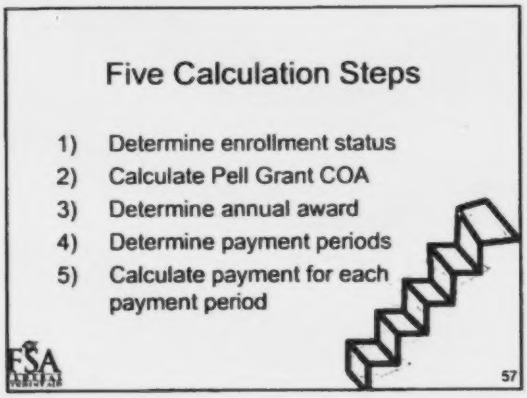


Calculating Pell Grant Awards for Term-based Credit-Hour Programs



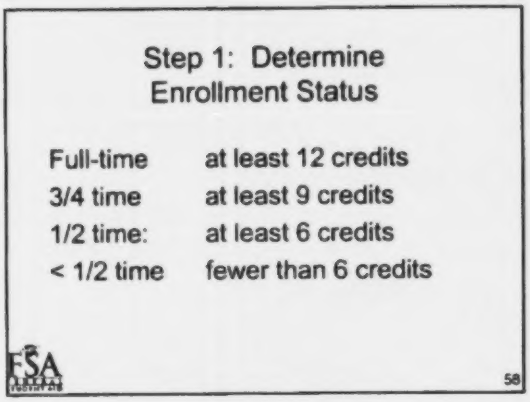
Formula 1 Summary

- Standard term program
- 30 weeks of instructional time
- Full-time status is at least 12 credit hours
- Academic calendar includes 2 semesters/trimesters or 3 quarters



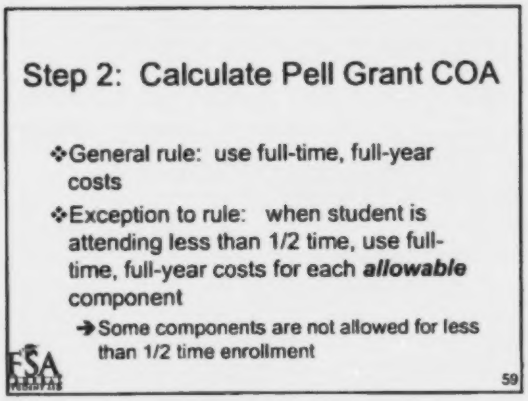
Five Calculation Steps

1) Determine enrollment status
2) Calculate Pell Grant COA
3) Determine annual award
4) Determine payment periods
5) Calculate payment for each payment period



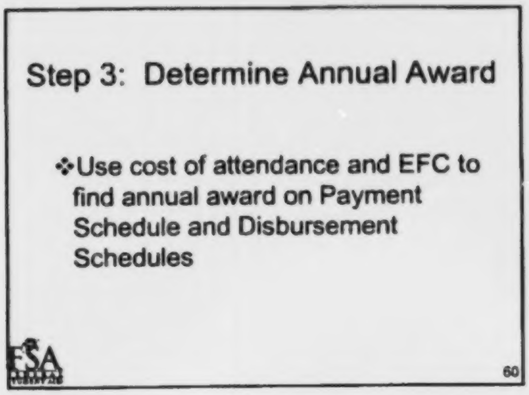
Step 1: Determine Enrollment Status

Full-time	at least 12 credits
3/4 time	at least 9 credits
1/2 time:	at least 6 credits
< 1/2 time	fewer than 6 credits



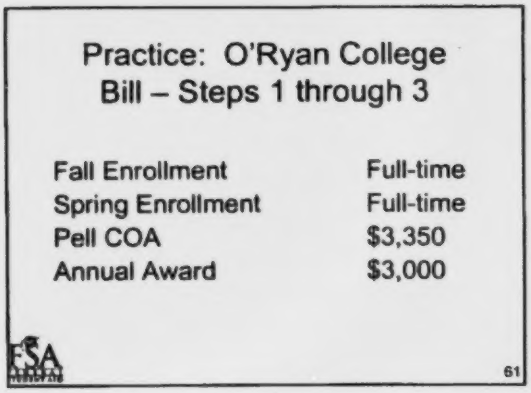
Step 2: Calculate Pell Grant COA

- General rule: use full-time, full-year costs
- Exception to rule: when student is attending less than 1/2 time, use full-time, full-year costs for each ***allowable*** component
  - ➔ Some components are not allowed for less than 1/2 time enrollment



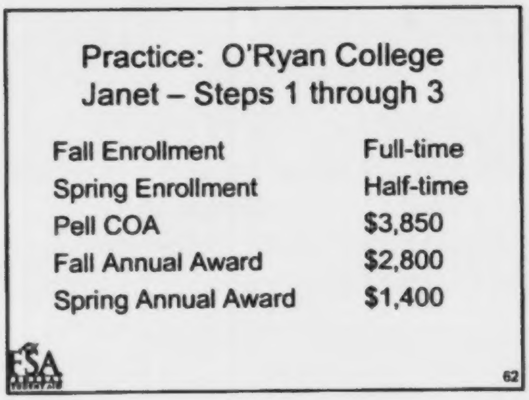
Step 3: Determine Annual Award

- Use cost of attendance and EFC to find annual award on Payment Schedule and Disbursement Schedules



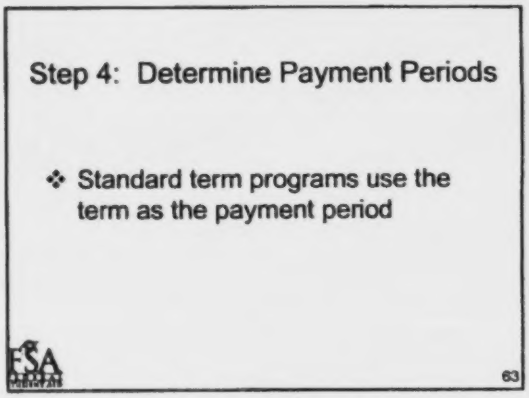
Practice: O'Ryan College Bill – Steps 1 through 3

Fall Enrollment	Full-time
Spring Enrollment	Full-time
Pell COA	$3,350
Annual Award	$3,000



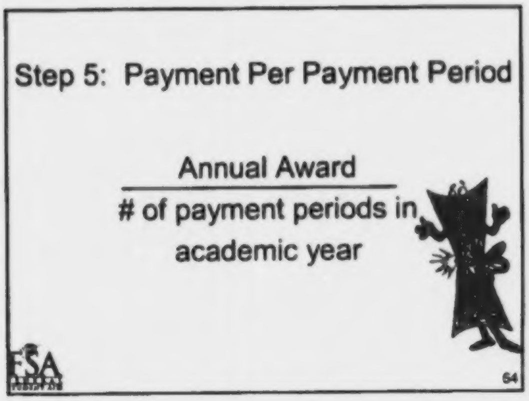
Practice: O'Ryan College Janet – Steps 1 through 3

Fall Enrollment	Full-time
Spring Enrollment	Half-time
Pell COA	$3,850
Fall Annual Award	$2,800
Spring Annual Award	$1,400



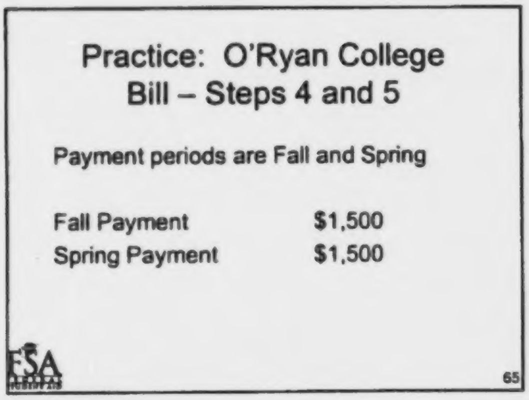
Step 4: Determine Payment Periods

- Standard term programs use the term as the payment period



Step 5: Payment Per Payment Period

$$\frac{\text{Annual Award}}{\text{\# of payment periods in academic year}}$$



Practice: O'Ryan College Bill – Steps 4 and 5

Payment periods are Fall and Spring

Fall Payment	$1,500
Spring Payment	$1,500

Practice: O'Ryan College Janet – Steps 4 and 5

Payment periods are Fall and Spring

Fall Payment	$1,400
Spring Payment	$ 700

Case Study - Formula 1 Larry at Woodride College

Step 1:	3/4 time for all 3 quarters
Step 2:	COA = $4,200
Step 3:	Annual Award = $2,550
Step 4:	Three payment periods (fall/winter/spring)
Step 5:	$850.00 per quarter

Formula 3 Highlights

- Enrollment status is different for nonstandard terms
- Cost of attendance proration may apply
- Pell payment per payment period is determined using number of weeks in the nonstandard term

Step 1: Determine Enrollment Status

If a school's academic calendar contains nonstandard terms, full-time enrollment status for each term must be determined using a regulatory formula

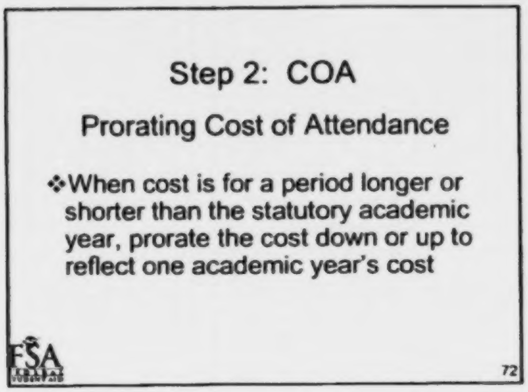
Full-time Enrollment Status

$$\text{credit hours in academic year} \times \frac{\text{weeks of instructional time in nonstandard term}}{\text{weeks of instructional time in program's definition of academic year}}$$

➔ If the resulting number is not a whole number, it is rounded up to the next whole number.

Practice: Rhodes Academy Rachel – Step 1

Module 1	Half-time
Module 2	Half-time
Module 3	Full-time

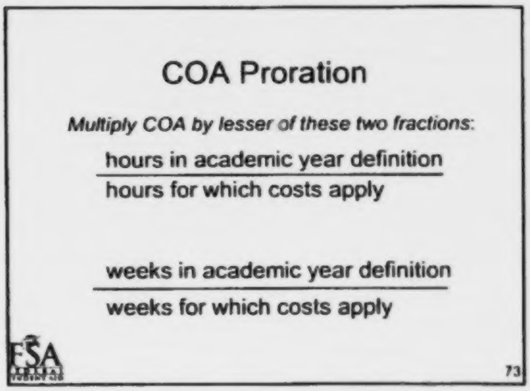


Step 2: COA

Prorating Cost of Attendance

- When cost is for a period longer or shorter than the statutory academic year, prorate the cost down or up to reflect one academic year's cost

72



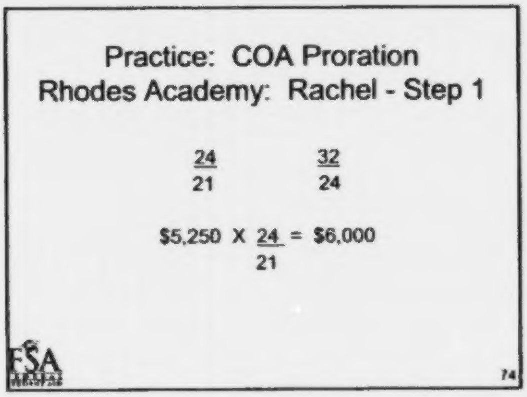
COA Proration

Multiply COA by lesser of these two fractions:

$$\frac{\text{hours in academic year definition}}{\text{hours for which costs apply}}$$

$$\frac{\text{weeks in academic year definition}}{\text{weeks for which costs apply}}$$

73

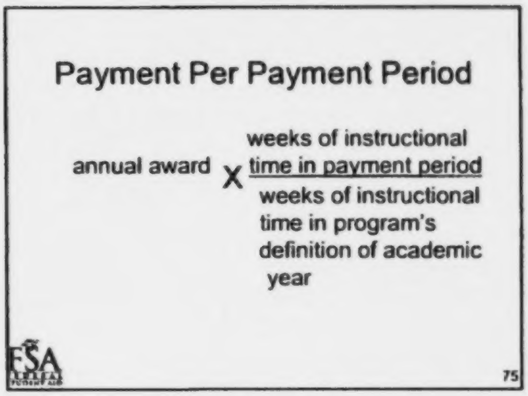


Practice: COA Proration
Rhodes Academy: Rachel - Step 1

$$\frac{24}{21} \qquad \frac{32}{24}$$

$$\$5{,}250 \times \frac{24}{21} = \$6{,}000$$

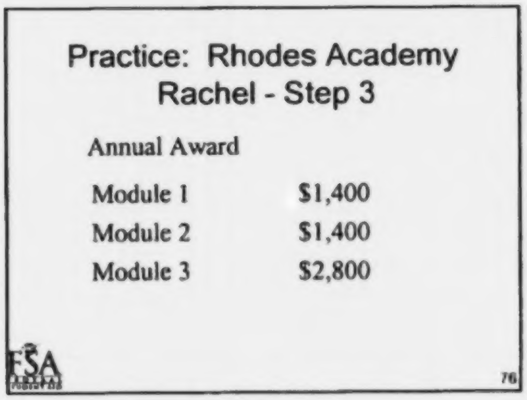
74



Payment Per Payment Period

$$\text{annual award} \times \frac{\text{weeks of instructional time in payment period}}{\text{weeks of instructional time in program's definition of academic year}}$$

75

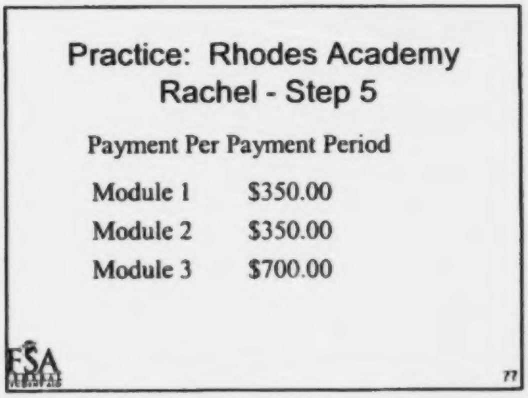


Practice: Rhodes Academy
Rachel - Step 3

Annual Award

Module 1	$1,400
Module 2	$1,400
Module 3	$2,800

76

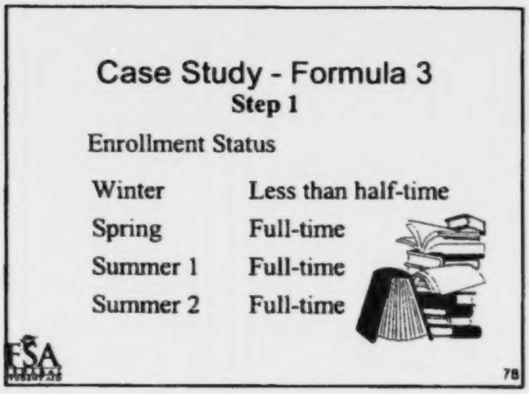


Practice: Rhodes Academy
Rachel - Step 5

Payment Per Payment Period

Module 1	$350.00
Module 2	$350.00
Module 3	$700.00

77

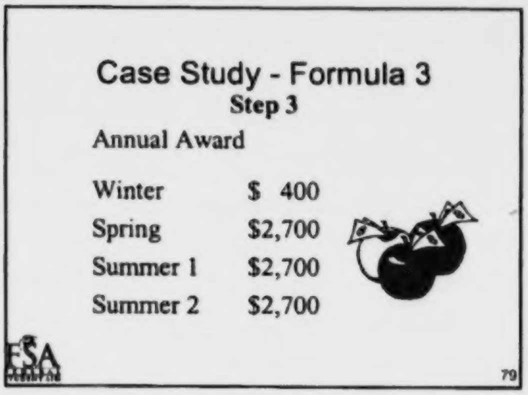


Case Study - Formula 3

Step 1

Enrollment Status

Winter	Less than half-time
Spring	Full-time
Summer 1	Full-time
Summer 2	Full-time

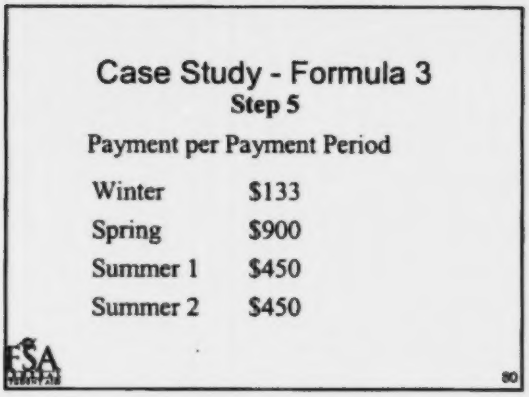


Case Study - Formula 3

Step 3

Annual Award

Winter	$ 400
Spring	$2,700
Summer 1	$2,700
Summer 2	$2,700



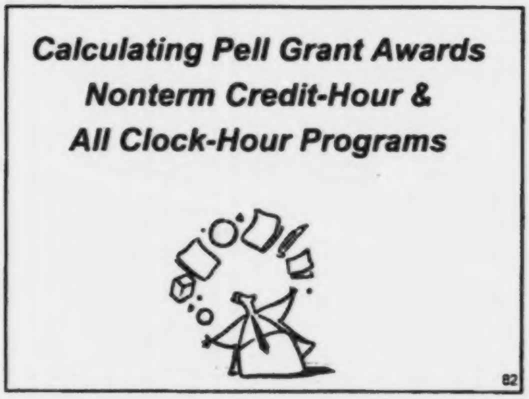
Case Study - Formula 3

Step 5

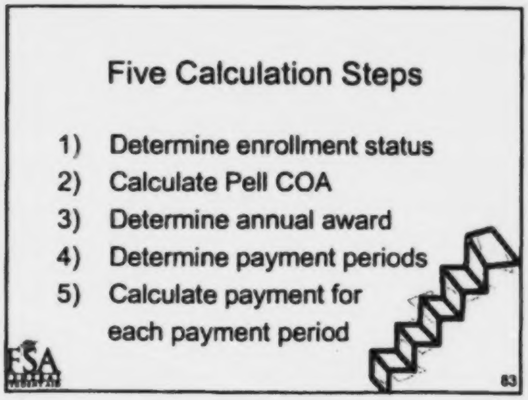
Payment per Payment Period

Winter	$133
Spring	$900
Summer 1	$450
Summer 2	$450

Questions?

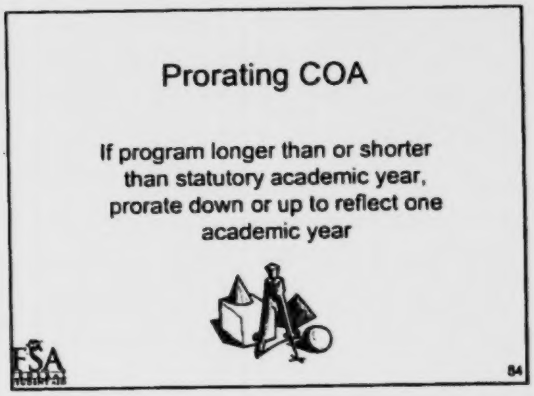


Calculating Pell Grant Awards Nonterm Credit-Hour & All Clock-Hour Programs



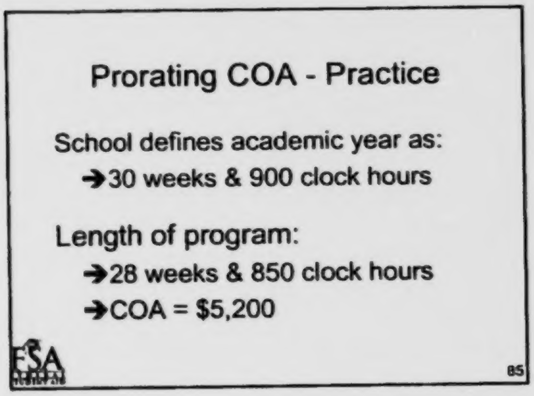
Five Calculation Steps

1) Determine enrollment status
2) Calculate Pell COA
3) Determine annual award
4) Determine payment periods
5) Calculate payment for each payment period



Prorating COA

If program longer than or shorter than statutory academic year, prorate down or up to reflect one academic year



Prorating COA - Practice

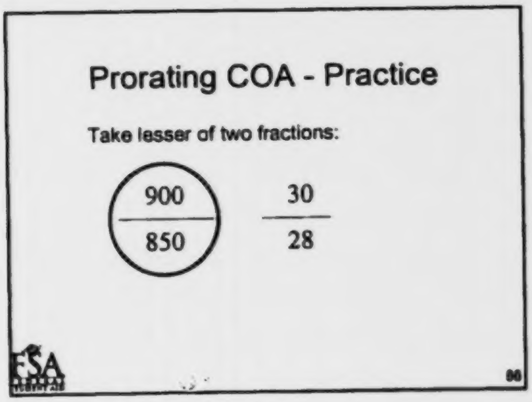
School defines academic year as:

➔30 weeks & 900 clock hours

Length of program:

➔28 weeks & 850 clock hours

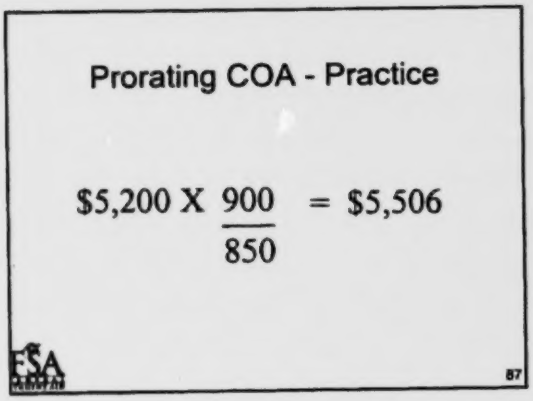
➔COA = $5,200



Prorating COA - Practice

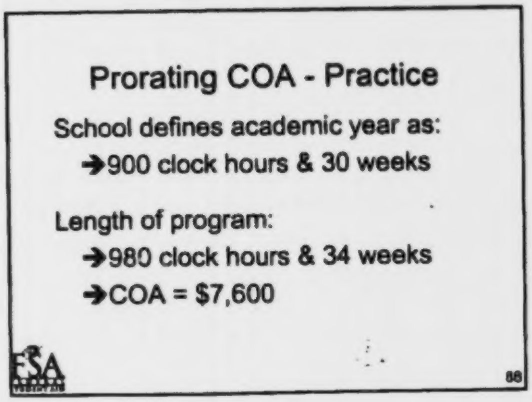
Take lesser of two fractions:

$\frac{900}{850}$ $\quad$ $\frac{30}{28}$



Prorating COA - Practice

$$\$5{,}200 \times \frac{900}{850} = \$5{,}506$$



Prorating COA - Practice

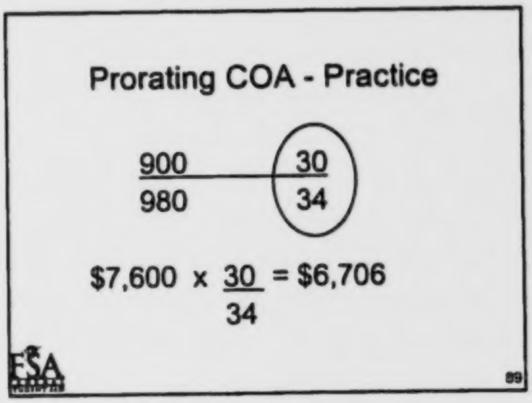
School defines academic year as:

➔900 clock hours & 30 weeks

Length of program:

➔980 clock hours & 34 weeks

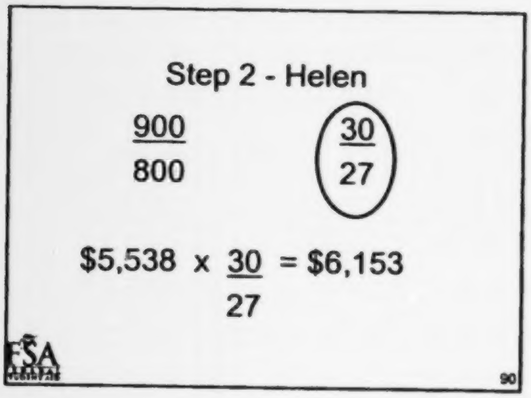
➔COA = $7,600



Prorating COA - Practice

$\frac{900}{980}$ $\quad$ $\frac{30}{34}$

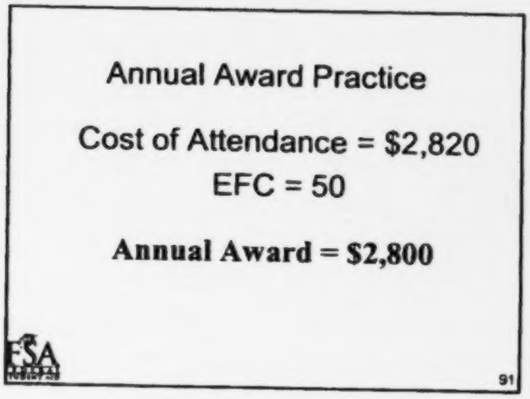
$$\$7{,}600 \times \frac{30}{34} = \$6{,}706$$



Step 2 - Helen

$$\frac{900}{800} \qquad \boxed{\frac{30}{27}}$$

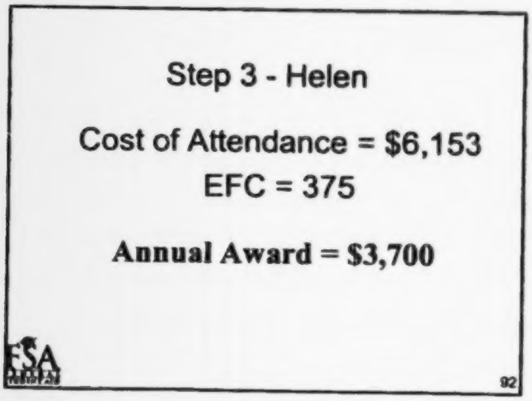
$$\$5{,}538 \times \frac{30}{27} = \$6{,}153$$



Annual Award Practice

Cost of Attendance = $2,820
EFC = 50

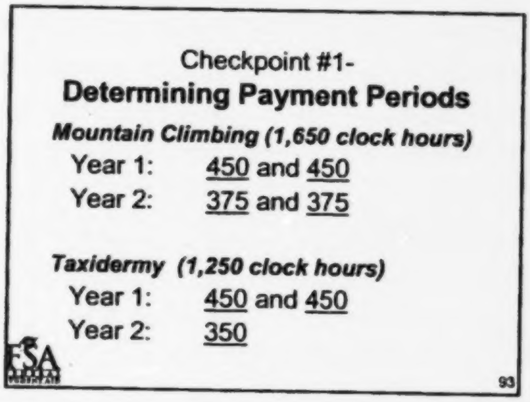
Annual Award = $2,800



Step 3 - Helen

Cost of Attendance = $6,153
EFC = 375

Annual Award = $3,700



Checkpoint #1-

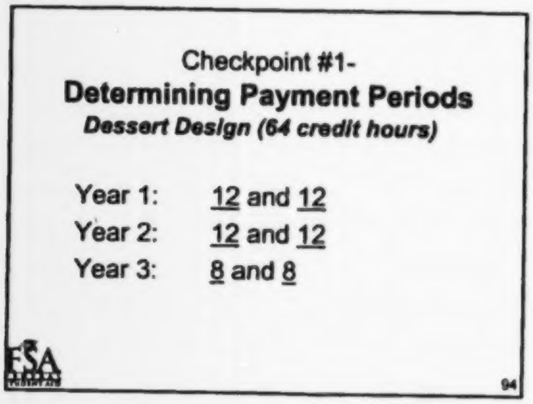
Determining Payment Periods

Mountain Climbing (1,650 clock hours)

Year 1: 450 and 450
Year 2: 375 and 375

Taxidermy (1,250 clock hours)

Year 1: 450 and 450
Year 2: 350

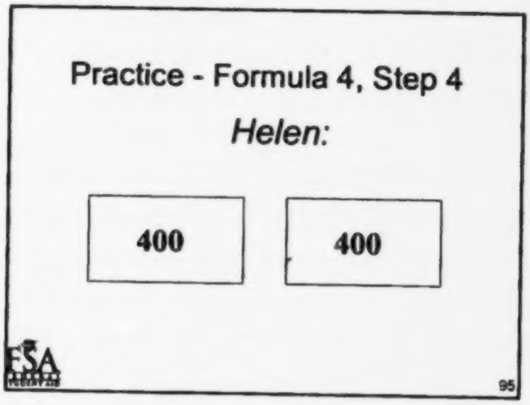


Checkpoint #1-

Determining Payment Periods

Dessert Design (64 credit hours)

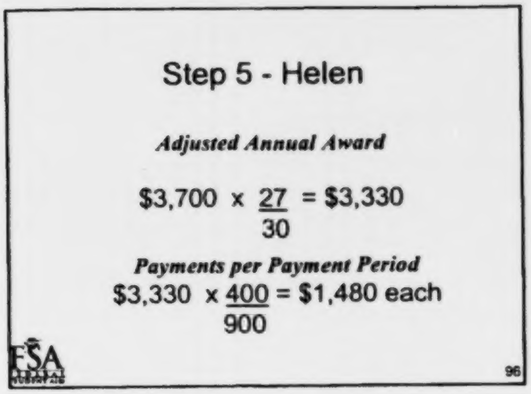
Year 1: 12 and 12
Year 2: 12 and 12
Year 3: 8 and 8



Practice - Formula 4, Step 4

Helen:

400	**400**



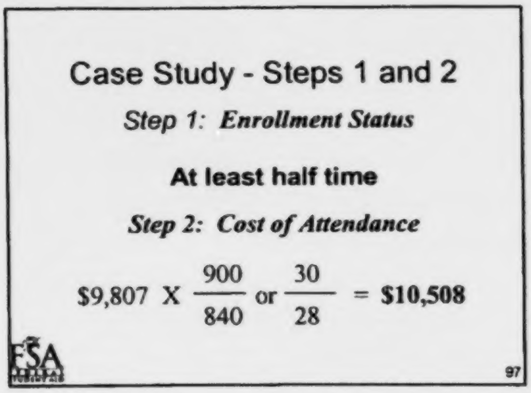
Step 5 - Helen

Adjusted Annual Award

$\$3{,}700 \times \frac{27}{30} = \$3{,}330$

Payments per Payment Period

$\$3{,}330 \times \frac{400}{900} = \$1{,}480$ each



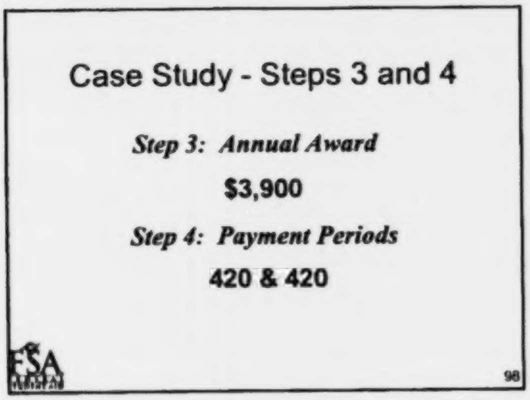
Case Study - Steps 1 and 2

Step 1: ***Enrollment Status***

At least half time

Step 2: Cost of Attendance

$\$9{,}807 \text{ X } \frac{900}{840} \text{ or } \frac{30}{28} = \mathbf{\$10{,}508}$



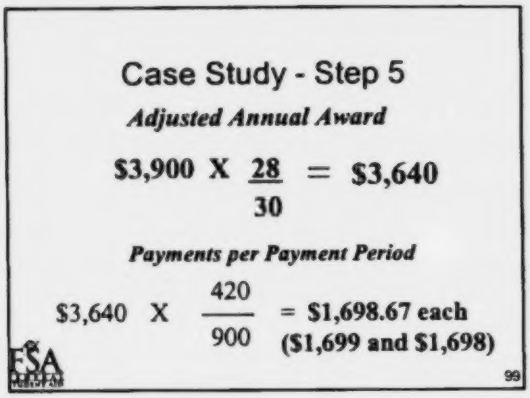
Case Study - Steps 3 and 4

Step 3: Annual Award

$3,900

Step 4: Payment Periods

420 & 420



Case Study - Step 5

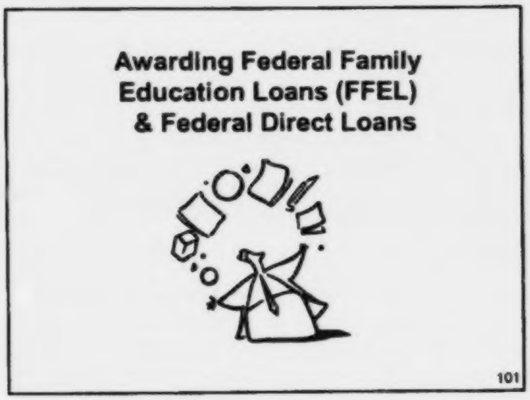
Adjusted Annual Award

$\mathbf{\$3{,}900 \text{ X } \frac{28}{30} = \$3{,}640}$

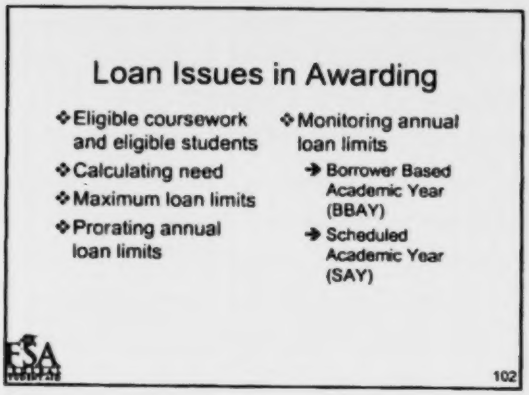
Payments per Payment Period

$\$3{,}640 \text{ X } \frac{420}{900}$ = **$1,698.67 each ($1,699 and $1,698)**

Questions?

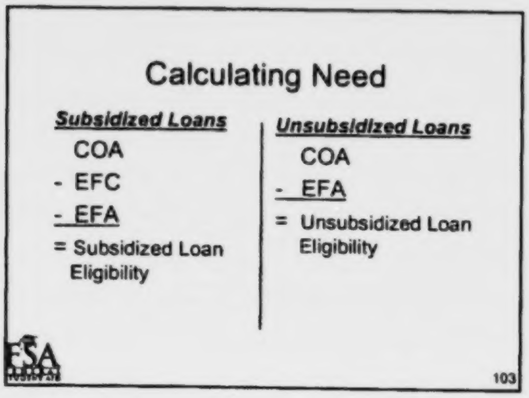


Awarding Federal Family Education Loans (FFEL) & Federal Direct Loans



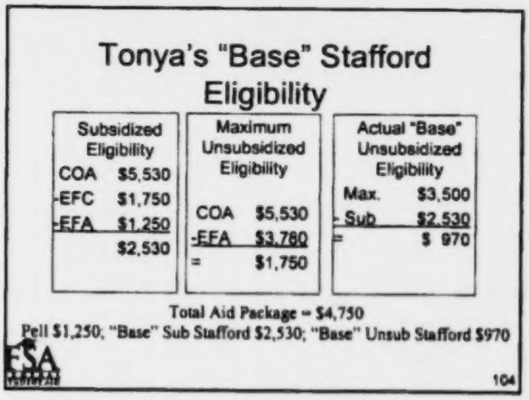
Loan Issues in Awarding

- Eligible coursework and eligible students
- Calculating need
- Maximum loan limits
- Prorating annual loan limits
- Monitoring annual loan limits
  - → Borrower Based Academic Year (BBAY)
  - → Scheduled Academic Year (SAY)



Calculating Need

Subsidized Loans	Unsubsidized Loans
COA	COA
- EFC	- EFA
- EFA	= Unsubsidized Loan Eligibility
= Subsidized Loan Eligibility	



Tonya's "Base" Stafford Eligibility

Subsidized Eligibility

COA	$5,530
-EFC	$1,750
-EFA	$1,250
	$2,530

Maximum Unsubsidized Eligibility

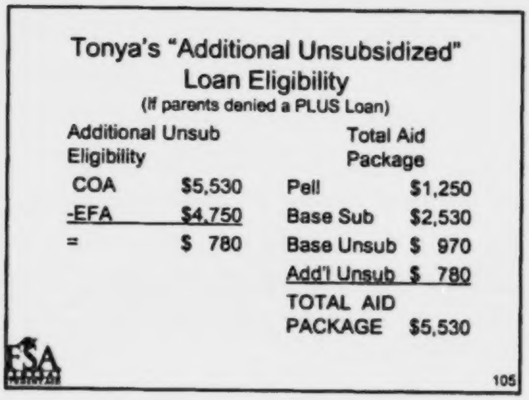
COA	$5,530
-EFA	$3,780
=	$1,750

Actual "Base" Unsubsidized Eligibility

Max.	$3,500
- Sub	$2,530
=	$ 970

Total Aid Package = $4,750

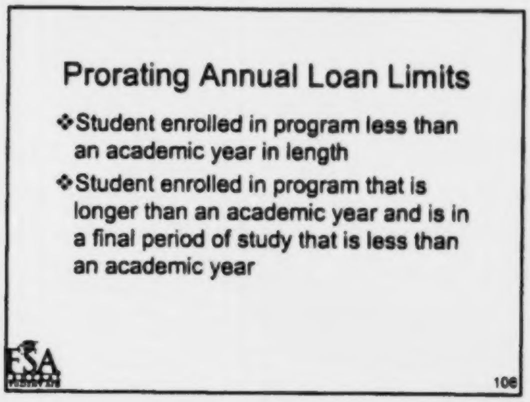
Pell $1,250; "Base" Sub Stafford $2,530; "Base" Unsub Stafford $970



Tonya's "Additional Unsubsidized" Loan Eligibility

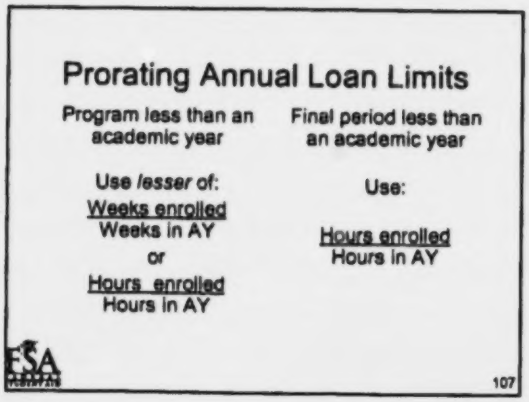
(If parents denied a PLUS Loan)

Additional Unsub Eligibility		Total Aid Package	
COA	$5,530	Pell	$1,250
-EFA	$4,750	Base Sub	$2,530
=	$ 780	Base Unsub	$ 970
		Add'l Unsub	$ 780
		TOTAL AID PACKAGE	$5,530



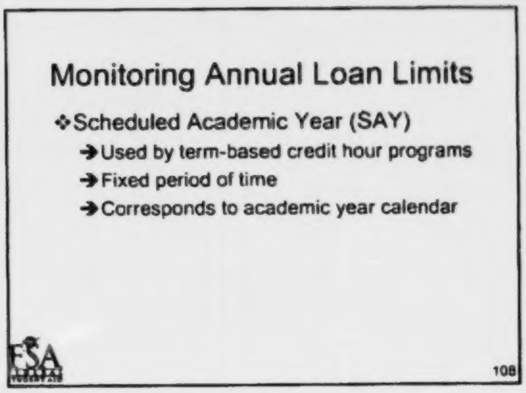
Prorating Annual Loan Limits

- Student enrolled in program less than an academic year in length
- Student enrolled in program that is longer than an academic year and is in a final period of study that is less than an academic year



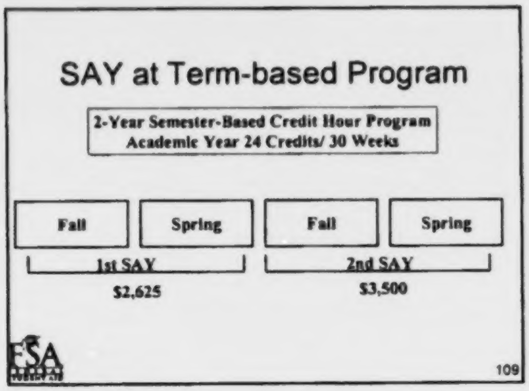
Prorating Annual Loan Limits

Program less than an academic year	Final period less than an academic year
Use *lesser* of:	Use:
$\frac{\text{Weeks enrolled}}{\text{Weeks in AY}}$ or $\frac{\text{Hours enrolled}}{\text{Hours in AY}}$	$\frac{\text{Hours enrolled}}{\text{Hours in AY}}$



Monitoring Annual Loan Limits

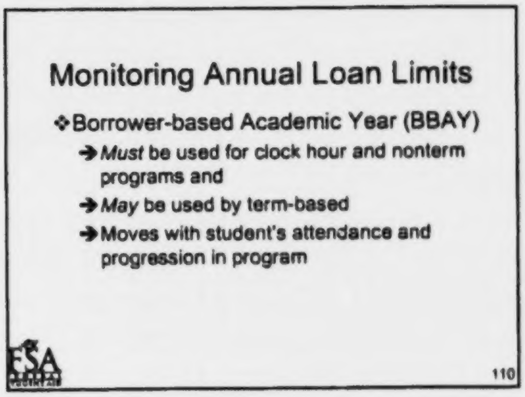
- Scheduled Academic Year (SAY)
  - ➔Used by term-based credit hour programs
  - ➔Fixed period of time
  - ➔Corresponds to academic year calendar



SAY at Term-based Program

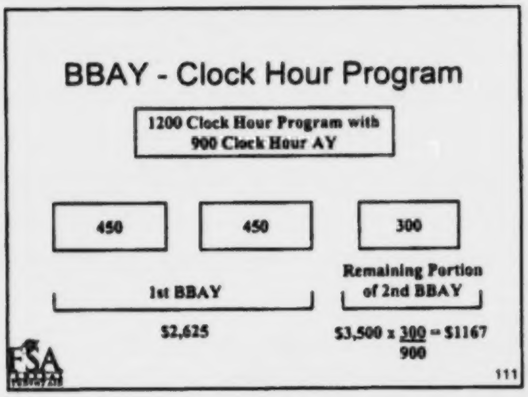
2-Year Semester-Based Credit Hour Program
Academic Year 24 Credits/ 30 Weeks

Fall	Spring	Fall	Spring
1st SAY		2nd SAY	
$2,625		$3,500	



Monitoring Annual Loan Limits

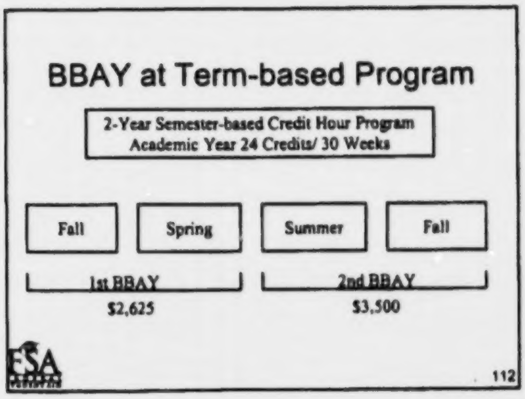
- Borrower-based Academic Year (BBAY)
  - ➔*Must* be used for clock hour and nonterm programs and
  - ➔*May* be used by term-based
  - ➔Moves with student's attendance and progression in program



BBAY - Clock Hour Program

1200 Clock Hour Program with
900 Clock Hour AY

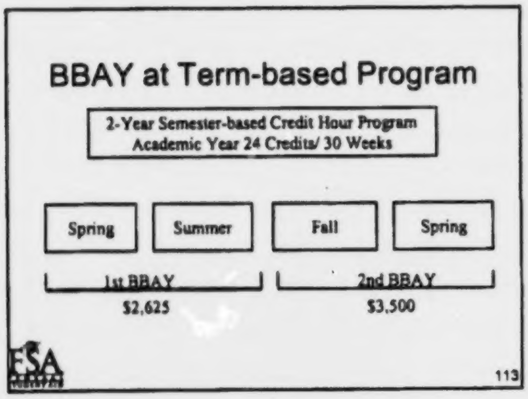
450	450	300
1st BBAY		Remaining Portion of 2nd BBAY
$2,625		$\$3{,}500 \times \frac{300}{900} = \$1167$



BBAY at Term-based Program

2-Year Semester-based Credit Hour Program
Academic Year 24 Credits/ 30 Weeks

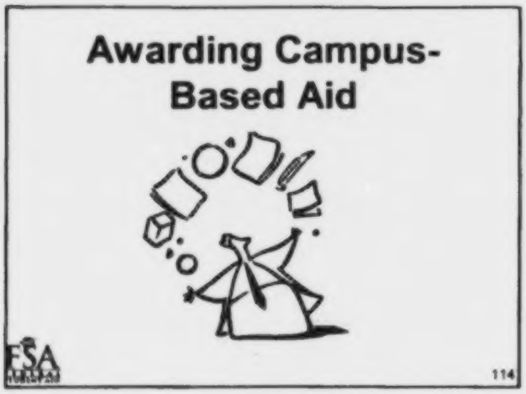
Fall	Spring	Summer	Fall
1st BBAY		2nd BBAY	
$2,625		$3,500	



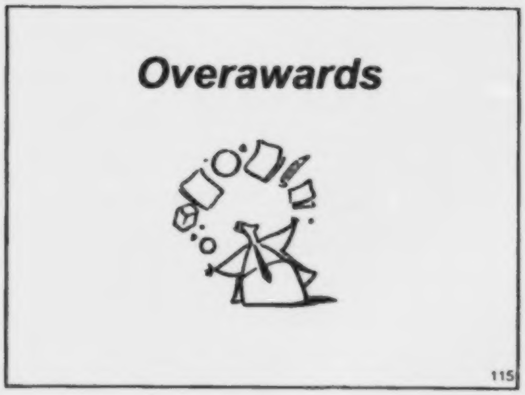
BBAY at Term-based Program

2-Year Semester-based Credit Hour Program
Academic Year 24 Credits/ 30 Weeks

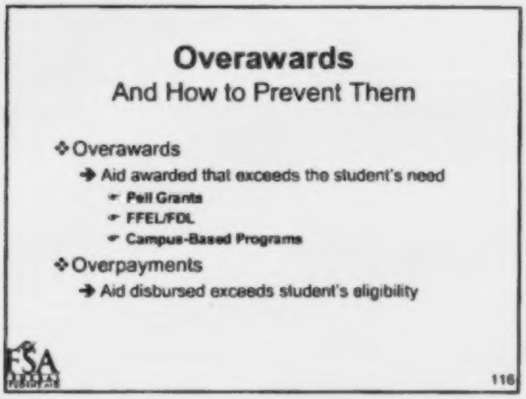
Spring	Summer	Fall	Spring
1st BBAY		2nd BBAY	
$2,625		$3,500	



Awarding Campus-Based Aid



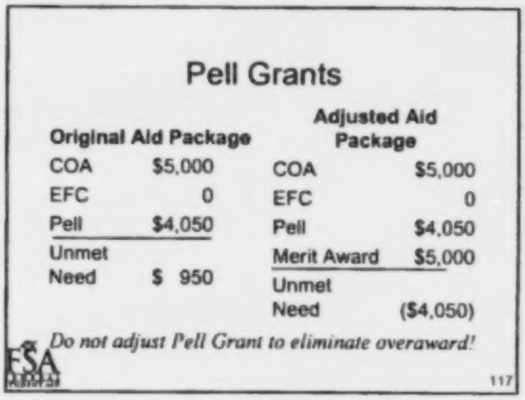
Overawards



Overawards

And How to Prevent Them

- Overawards
  - Aid awarded that exceeds the student's need
    - **Pell Grants**
    - **FFEL/FDL**
    - **Campus-Based Programs**
- Overpayments
  - Aid disbursed exceeds student's eligibility

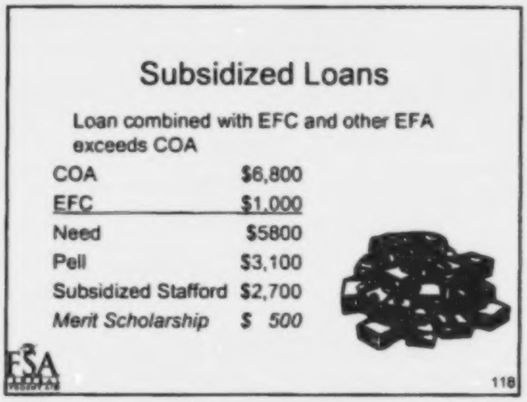


Pell Grants

Original Aid Package	
COA	$5,000
EFC	0
Pell	$4,050
Unmet Need	$ 950

Adjusted Aid Package	
COA	$5,000
EFC	0
Pell	$4,050
Merit Award	$5,000
Unmet Need	($4,050)

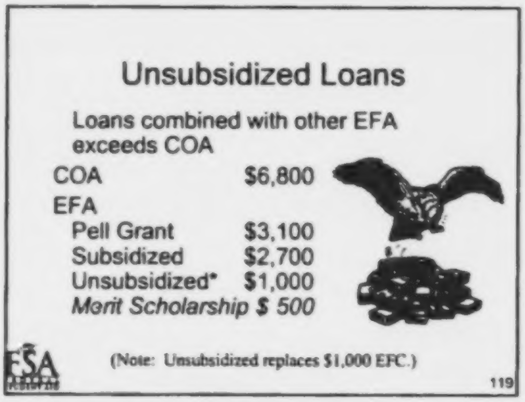
Do not adjust Pell Grant to eliminate overaward!



Subsidized Loans

Loan combined with EFC and other EFA exceeds COA

COA	$6,800
EFC	$1,000
Need	$5800
Pell	$3,100
Subsidized Stafford	$2,700
Merit Scholarship	*$ 500*

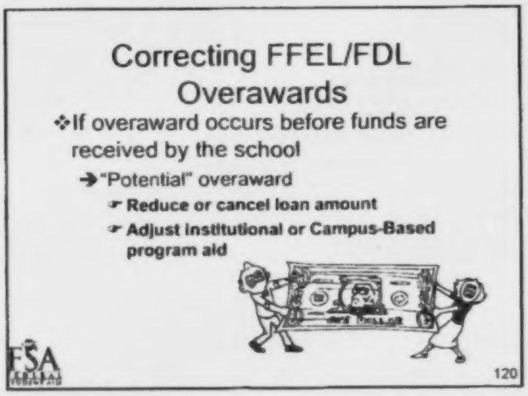


Unsubsidized Loans

Loans combined with other EFA exceeds COA

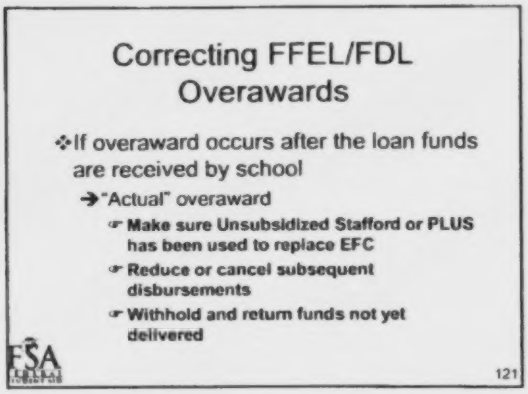
COA	$6,800
EFA	
Pell Grant	$3,100
Subsidized	$2,700
Unsubsidized*	$1,000
Merit Scholarship	*$ 500*

(Note: Unsubsidized replaces $1,000 EFC.)



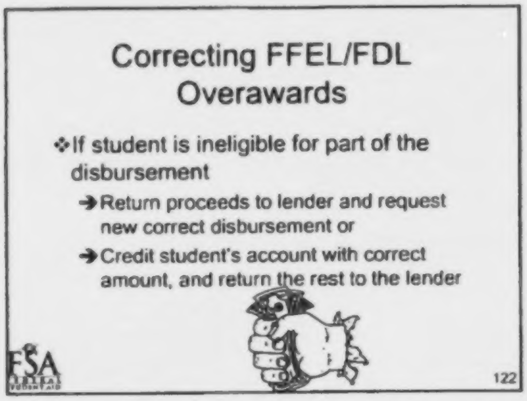
Correcting FFEL/FDL Overawards

- If overaward occurs before funds are received by the school
  - "Potential" overaward
    - **Reduce or cancel loan amount**
    - **Adjust Institutional or Campus-Based program aid**



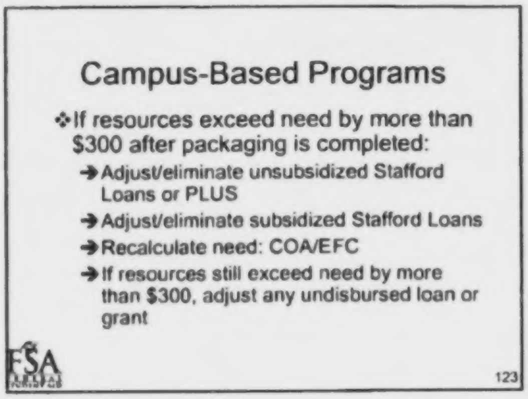
Correcting FFEL/FDL Overawards

- If overaward occurs after the loan funds are received by school
  - "Actual" overaward
    - **Make sure Unsubsidized Stafford or PLUS has been used to replace EFC**
    - **Reduce or cancel subsequent disbursements**
    - **Withhold and return funds not yet delivered**



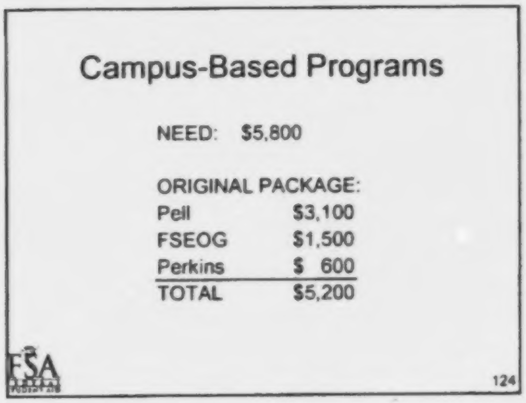
Correcting FFEL/FDL Overawards

- If student is ineligible for part of the disbursement
  - Return proceeds to lender and request new correct disbursement or
  - Credit student's account with correct amount, and return the rest to the lender



Campus-Based Programs

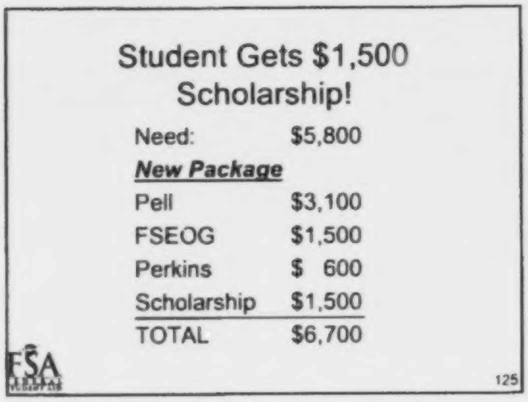
- If resources exceed need by more than $300 after packaging is completed:
  - Adjust/eliminate unsubsidized Stafford Loans or PLUS
  - Adjust/eliminate subsidized Stafford Loans
  - Recalculate need: COA/EFC
  - If resources still exceed need by more than $300, adjust any undisbursed loan or grant



Campus-Based Programs

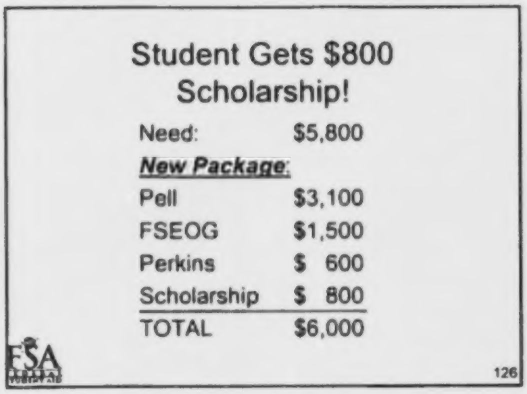
NEED: $5,800

ORIGINAL PACKAGE:	
Pell	$3,100
FSEOG	$1,500
Perkins	$ 600
TOTAL	$5,200



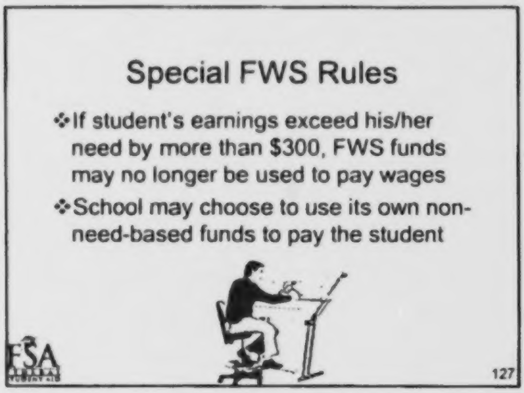
Student Gets $1,500 Scholarship!

Need:	$5,800
New Package	
Pell	$3,100
FSEOG	$1,500
Perkins	$ 600
Scholarship	$1,500
TOTAL	$6,700



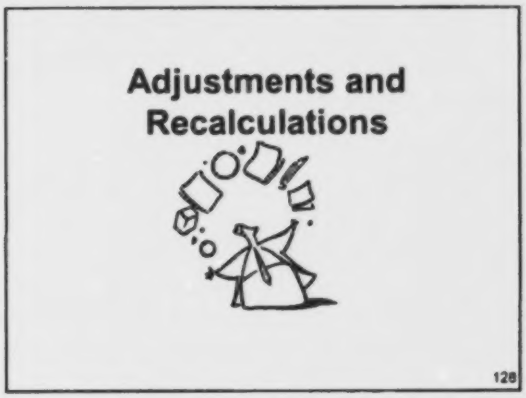
Student Gets $800 Scholarship!

Need:	$5,800
New Package:	
Pell	$3,100
FSEOG	$1,500
Perkins	$ 600
Scholarship	$ 800
TOTAL	$6,000

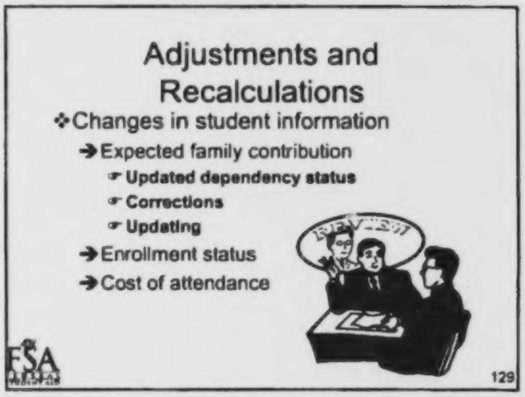


Special FWS Rules

- ❖ If student's earnings exceed his/her need by more than $300, FWS funds may no longer be used to pay wages
- ❖ School may choose to use its own non-need-based funds to pay the student

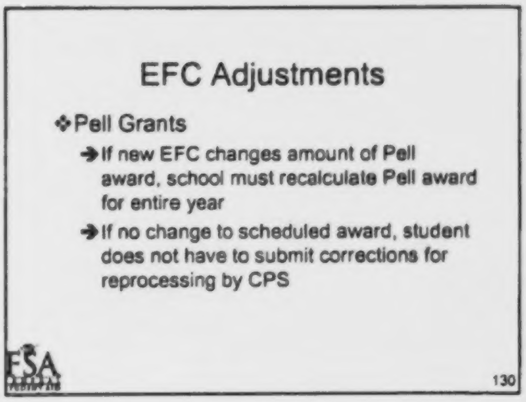


Adjustments and Recalculations



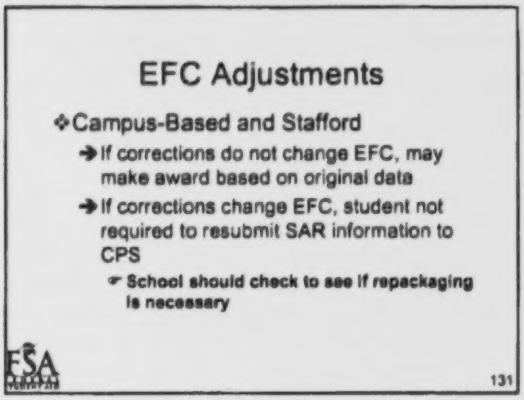
Adjustments and Recalculations

- ❖ Changes in student information
  - ➔ Expected family contribution
    - ☞ **Updated dependency status**
    - ☞ **Corrections**
    - ☞ **Updating**
  - ➔ Enrollment status
  - ➔ Cost of attendance



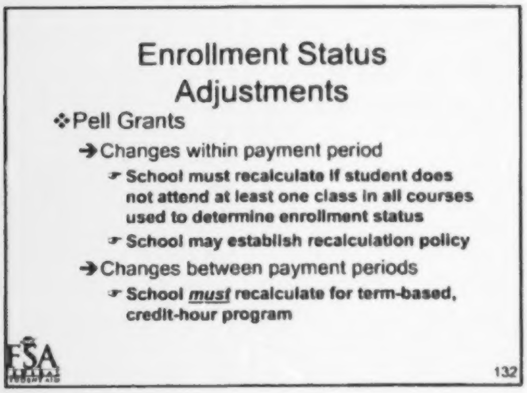
EFC Adjustments

- ❖ Pell Grants
  - ➔ If new EFC changes amount of Pell award, school must recalculate Pell award for entire year
  - ➔ If no change to scheduled award, student does not have to submit corrections for reprocessing by CPS



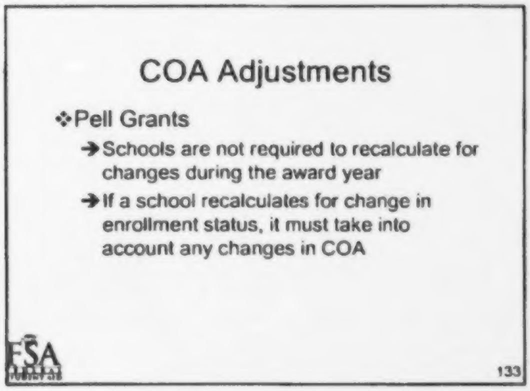
EFC Adjustments

- ❖ Campus-Based and Stafford
  - ➔ If corrections do not change EFC, may make award based on original data
  - ➔ If corrections change EFC, student not required to resubmit SAR information to CPS
    - ☞ **School should check to see if repackaging is necessary**



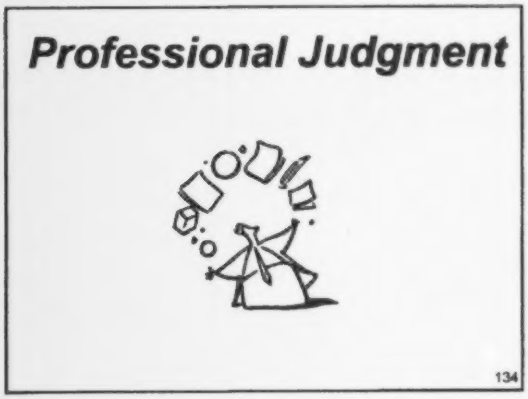
Enrollment Status Adjustments

- Pell Grants
  - Changes within payment period
    - **School must recalculate if student does not attend at least one class in all courses used to determine enrollment status**
    - **School may establish recalculation policy**
  - Changes between payment periods
    - **School *must* recalculate for term-based, credit-hour program**

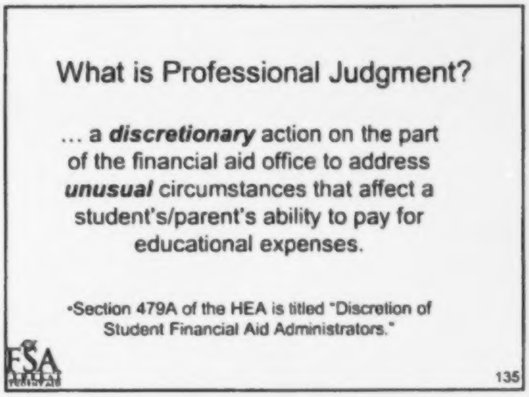


COA Adjustments

- Pell Grants
  - Schools are not required to recalculate for changes during the award year
  - If a school recalculates for change in enrollment status, it must take into account any changes in COA



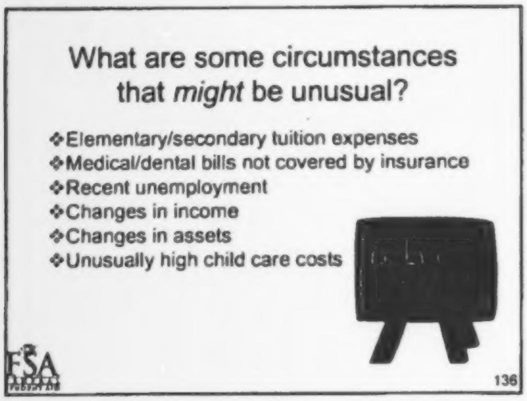
Professional Judgment



What is Professional Judgment?

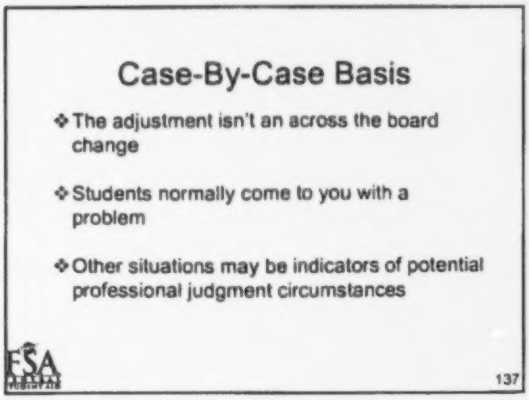
… a ***discretionary*** action on the part of the financial aid office to address ***unusual*** circumstances that affect a student's/parent's ability to pay for educational expenses.

•Section 479A of the HEA is titled "Discretion of Student Financial Aid Administrators."



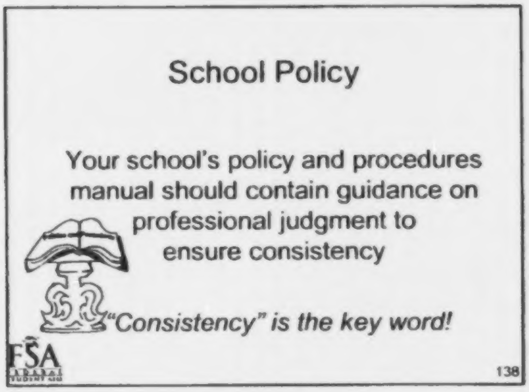
What are some circumstances that *might* be unusual?

- Elementary/secondary tuition expenses
- Medical/dental bills not covered by insurance
- Recent unemployment
- Changes in income
- Changes in assets
- Unusually high child care costs



Case-By-Case Basis

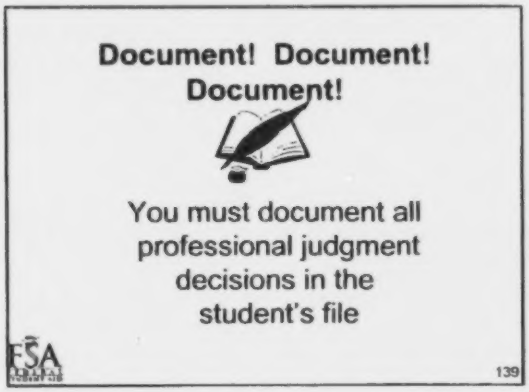
- The adjustment isn't an across the board change
- Students normally come to you with a problem
- Other situations may be indicators of potential professional judgment circumstances



School Policy

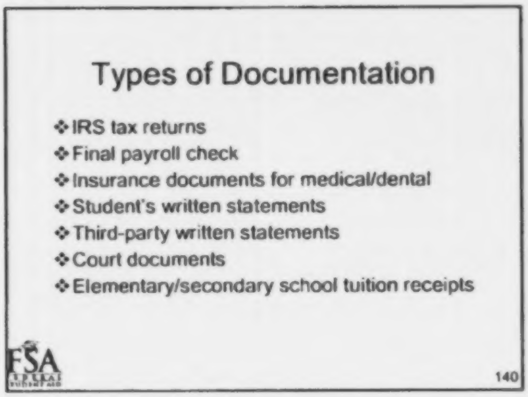
Your school's policy and procedures manual should contain guidance on professional judgment to ensure consistency

"Consistency" is the key word!



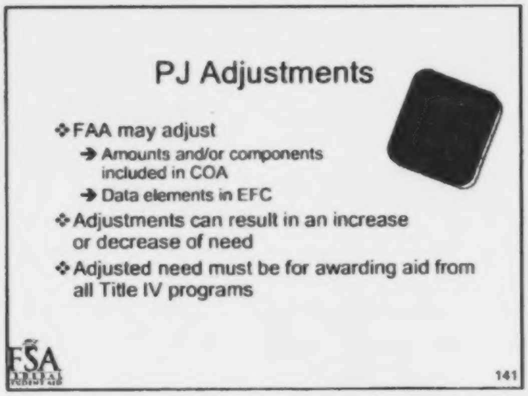
Document! Document! Document!

You must document all professional judgment decisions in the student's file



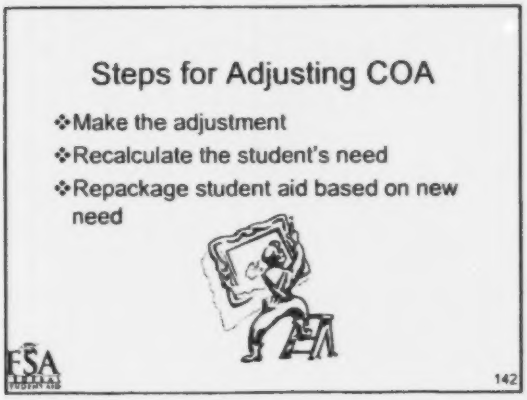
Types of Documentation

- ❖IRS tax returns
- ❖Final payroll check
- ❖Insurance documents for medical/dental
- ❖Student's written statements
- ❖Third-party written statements
- ❖Court documents
- ❖Elementary/secondary school tuition receipts



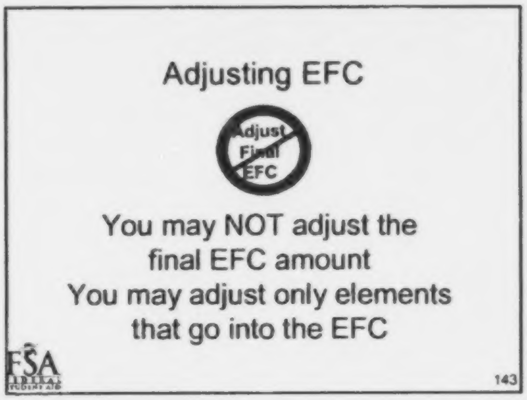
PJ Adjustments

- ❖FAA may adjust
  - ➔ Amounts and/or components included in COA
  - ➔ Data elements in EFC
- ❖Adjustments can result in an increase or decrease of need
- ❖Adjusted need must be for awarding aid from all Title IV programs



Steps for Adjusting COA

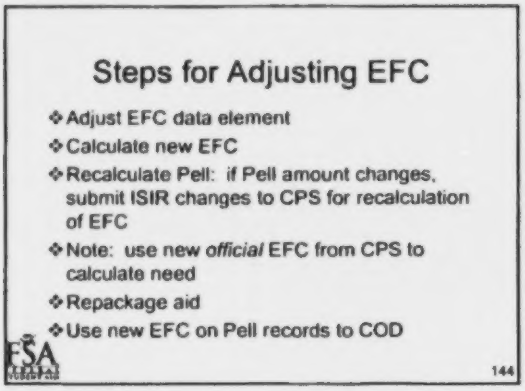
- ❖Make the adjustment
- ❖Recalculate the student's need
- ❖Repackage student aid based on new need



Adjusting EFC

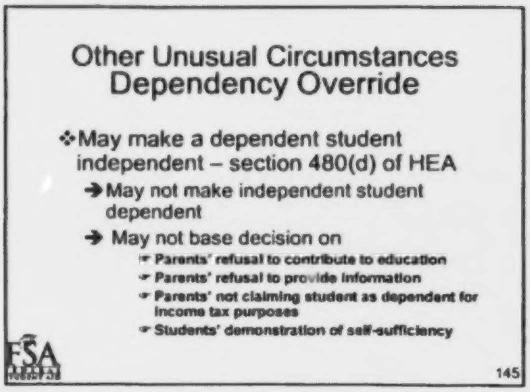
Adjust
Final
EFC

You may NOT adjust the final EFC amount
You may adjust only elements that go into the EFC



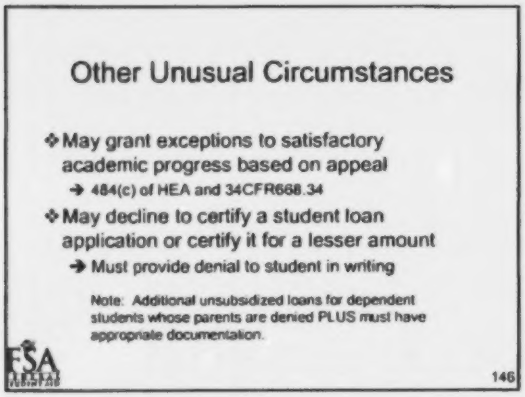
Steps for Adjusting EFC

- Adjust EFC data element
- Calculate new EFC
- Recalculate Pell: if Pell amount changes, submit ISIR changes to CPS for recalculation of EFC
- Note: use new *official* EFC from CPS to calculate need
- Repackage aid
- Use new EFC on Pell records to COD



Other Unusual Circumstances Dependency Override

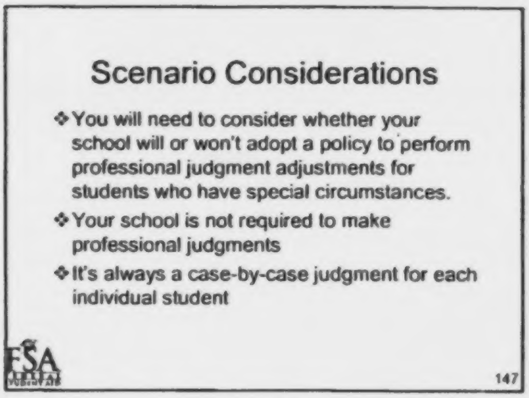
- May make a dependent student independent – section 480(d) of HEA
  - May not make independent student dependent
  - May not base decision on
    - **Parents' refusal to contribute to education**
    - **Parents' refusal to provide information**
    - **Parents' not claiming student as dependent for income tax purposes**
    - **Students' demonstration of self-sufficiency**



Other Unusual Circumstances

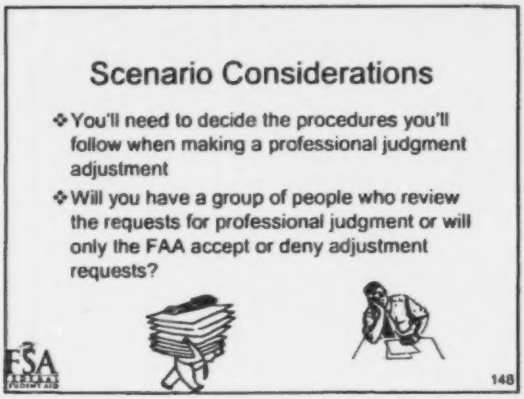
- May grant exceptions to satisfactory academic progress based on appeal
  - 484(c) of HEA and 34CFR668.34
- May decline to certify a student loan application or certify it for a lesser amount
  - Must provide denial to student in writing

Note: Additional unsubsidized loans for dependent students whose parents are denied PLUS must have appropriate documentation.



Scenario Considerations

- You will need to consider whether your school will or won't adopt a policy to perform professional judgment adjustments for students who have special circumstances.
- Your school is not required to make professional judgments
- It's always a case-by-case judgment for each individual student



Scenario Considerations

- You'll need to decide the procedures you'll follow when making a professional judgment adjustment
- Will you have a group of people who review the requests for professional judgment or will only the FAA accept or deny adjustment requests?

Disburse Aid to Students

- Understand When a Disbursement Occurs
- Conduct Entrance Counseling
- Disburse When Students Are Eligible
- Make Late Disbursements When Applicable
- Report Pell Grant Information
- Notify Students
- Pay Title IV Credit Balances to Students
- Correct/Collect Overpayments

REASON FOR INITIAL INELIGIBILITY	REGAINS ELIGIBILITY FOR	
	Pell Grant and Campus-Based Programs	FFEL and Direct Loan Programs
Default on Title IV Loan and/or Overpayment Debt ❖ Student was in default on a Title IV loan or owed an over-payment on a Title IV grant or loan at the beginning of the academic year. Student repaid in full, made satisfactory repayment arrangements, or otherwise resolved the default and/or overpayment during the year.	❖ Eligible beginning with the payment period/academic term during which the default and/or overpayment was resolved.	❖ Eligible for the entire period of enrollment (usually an academic year) during which the default and/or overpayment was resolved.
Satisfactory Academic Progress ❖ Student did not meet satisfactory academic progress standards at the beginning of the academic year, but met the standards during the year.	❖ Eligible beginning with the payment period/academic term during which the student met the standards.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the student met the standards. Exception if the school's satisfactory academic progress policy provides for reinstatement of eligibility at a later date.
Ability-to-Benefit ❖ Student did not have a high school diploma, its equivalent, or a passing score on an approved ability-to-benefit test by the beginning of the academic year. Student passed such a test during the year.	❖ Eligible beginning with the payment period/academic term during which the student passed the approved ability-to-benefit test.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the student passed the approved ability-to-benefit test.

REASON FOR INITIAL INELIGIBILITY	REGAINS ELIGIBILITY FOR	
	Pell Grant and Campus-Based Programs	FFEL and Direct Loan Programs
Citizenship Status ❖ Student failed to meet citizenship status requirements at the beginning of the academic year, but met the requirements during the year. This applies to both confirmation of eligible noncitizen status and confirmation of U.S. citizenship status.	❖ Eligible for the entire award year in which the proper citizenship status is met.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the proper citizenship status is met.
Selective Service Status ❖ Student failed to meet Selective Service registration requirements at the beginning of the academic year, but met the requirements during the year.	❖ Eligible for the entire award year in which the proper registration status was confirmed.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the proper registration status was confirmed.
Valid Social Security Number ❖ Student was not able to provide confirmation of his/her Social Security number at the beginning of the academic year, but did so during the year.	❖ Eligible for the entire award year in which the confirmation was obtained.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the confirmation was obtained.
Drug Conviction ❖ Student is ineligible at the beginning of the academic year due to a drug conviction for sale and/or possession. The student's period of ineligibility expired during the year or the student attended an approved rehabilitation program during the year.	❖ Eligible beginning with the payment period/academic term during which the ineligibility expired or was resolved.	❖ Eligible for the entire period of enrollment (usually an academic year) in which the ineligibility expired or was resolved.

Payment Periods for Nonterm Credit Hour Programs and All Clock Hour Programs Longer Than One Academic Year

Program length	*First and subsequent full academic years*		*Remainder of program*	
	First payment period	*Second payment period*	*First payment period*	*Second payment period*
multiples of a full academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	N/A	N/A
longer than academic year, remainder shorter than or equal to one half an academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	period of time in which student completes remainder of program	N/A
longer than academic year, remainder shorter than academic year, but longer than half an academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	period of time in which student completes first half of remainder of the program	period of time in which student completes second half of remainder of the program

BEST COPY AVAILABLE

Disbursement Exercises

Morton School of Design

Academic year is 900 clock hours.
Program is 700 clock hours.
Program starts August 6 and ends March 8.

The first payment period includes the first _________ clock hours.
The second payment period includes the next __________ clock hours.

Student's package includes Pell Grant, FSEOG, and FFEL Stafford Loan. Valid ISIR processed September 5.

When can the school make the first disbursement of
Pell?
FSEOG?
Stafford?
When can the school make the second disbursement of
Pell?
FSEOG?
Stafford?

Thomas George School of Business

Academic year is 1,000 clock hours
Program is 2,000 clock hours

How many payment periods will be in this program?
How many clock hours in each payment period?

Thomas George wants to redefine the academic year to be 900 clock hours? How does that change the payment period configuration?
How many payment periods?
How many clock hours in each payment period?

____

____

____

____

TLC Academy

Academic year is 24 semester credit hours
Program is 28 semester credit hours

The first payment period includes _________ credit hours.
The second payment period includes _________ credit hours.
The third payment period includes _________ credit hours.

How many credit hours are included in the loan period for an FFEL or Direct Loan?

Holland Institute

Academic year is 900 clock hours
Program is 1,500 clock hours

The school wants three payment periods in each academic year.
How many payment periods will be in this program?
How many clock hours in each payment period?

Student's package for the first academic year includes a Pell Grant and a Direct Stafford Loan.
How many payments of Pell will be made?
How many payments of Stafford will be made?

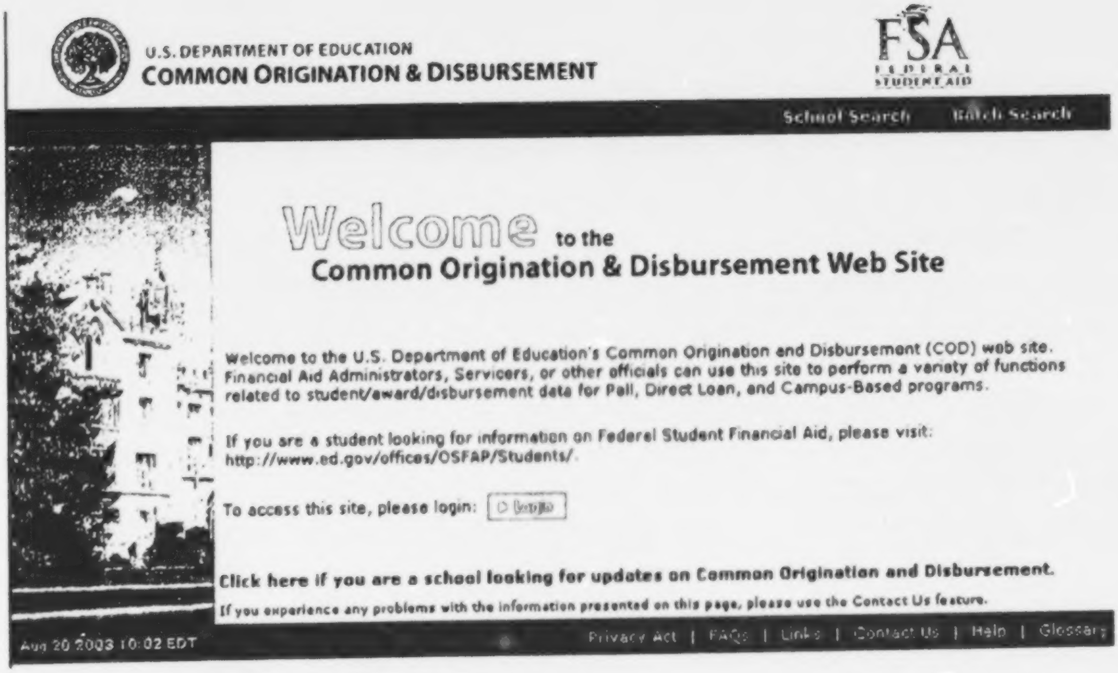
____

____

____

____

____


U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT
FSA
FEDERAL STUDENT AID
School Search
Batch Search

Welcome to the Common Origination & Disbursement Web Site

Welcome to the U.S. Department of Education's Common Origination and Disbursement (COD) web site. Financial Aid Administrators, Servicers, or other officials can use this site to perform a variety of functions related to student/award/disbursement data for Pell, Direct Loan, and Campus-Based programs.

If you are a student looking for information on Federal Student Financial Aid, please visit: http://www.ed.gov/offices/OSFAP/Students/.

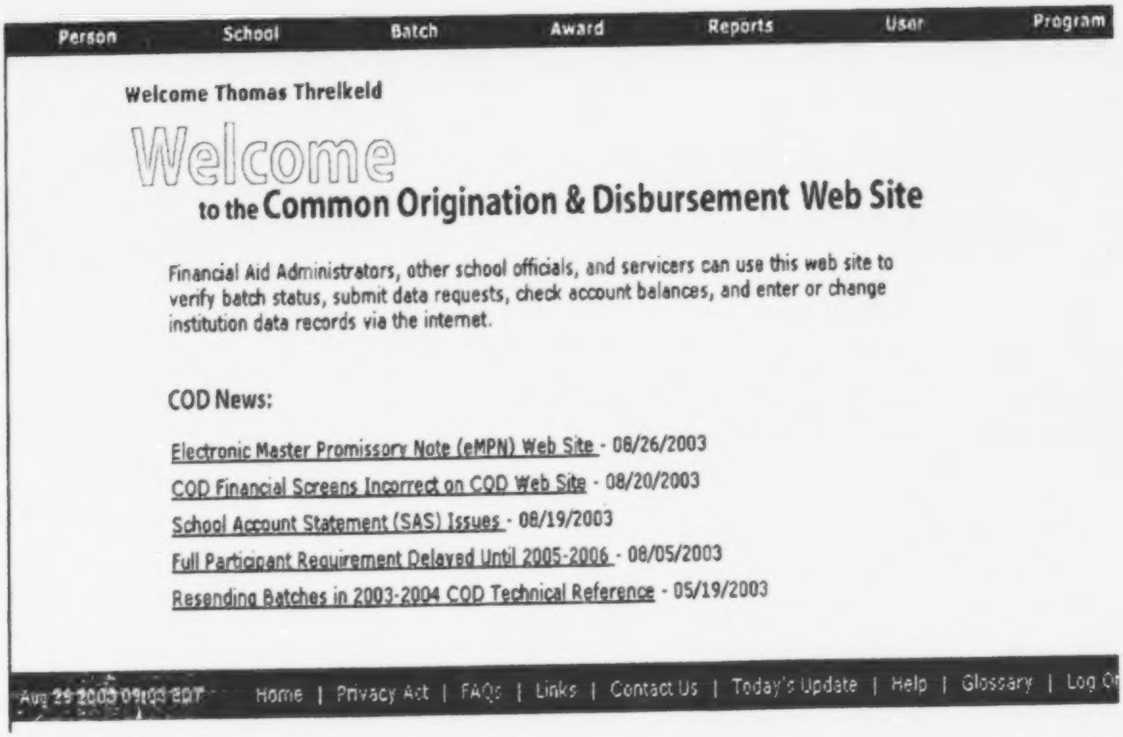
To access this site, please login:

Click here if you are a school looking for updates on Common Origination and Disbursement.

If you experience any problems with the information presented on this page, please use the Contact Us feature.

Aug 20 2003 10:02 EDT

Privacy Act | FAQs | Links | Contact Us | Help | Glossary


Person
School
Batch
Award
Reports
User
Program

Welcome Thomas Threlkeld

Welcome to the Common Origination & Disbursement Web Site

Financial Aid Administrators, other school officials, and servicers can use this web site to verify batch status, submit data requests, check account balances, and enter or change institution data records via the internet.

COD News:

Electronic Master Promissory Note (eMPN) Web Site - 08/26/2003

COD Financial Screens Incorrect on COD Web Site - 08/20/2003

School Account Statement (SAS) Issues - 08/19/2003

Full Participant Requirement Delayed Until 2005-2006 - 08/05/2003

Resending Batches in 2003-2004 COD Technical Reference - 05/19/2003

Aug 29 2003 09:03 EDT

Home | Privacy Act | FAQs | Links | Contact Us | Today's Update | Help | Glossary | Log O

BEST COPY AVAILABLE

Required Notifications

What	Who Is Notified	When	Required Elements
Type and amount of FSA funds student will receive	Student	Prior to disbursement	Type and amount of FSA funds available How and when funds will be disbursed If FFEL or Direct Loan funds, amount of sub and unsub
Credit of any loan funds to student's account	Student and parent (if PLUS)	Within 30 days of disbursement (either before or after the disbursement)	Date and amount of disbursement Right of borrower to cancel all or portion of loan (only applies to FFEL if EFT or master check) Procedures and deadlines for borrower to cancel

Required Authorizations

Action	Who Authorizes	When	Required Elements
Disbursing FSA funds by EFT to designated bank account	Student	Prior to action	Each and every action authorized must be voluntary
Using FSA funds to pay for other allowable charges	Parent if PLUS	Can be valid for entire period of enrollment	Student (or parent) can cancel or modify at any time
Holding credit balances			Explanation of how school will carry out activity
Applying FSA funds to prior year charges			

For more information: 34 CFR 668.165
2003-2004 FSA Handbook,
pages 2-99 through 2-103

Notification and Authorization Exercise

M&T Institute Notice

October 10

This will serve to notify Thomas Winthrop (SSN: 555-12-1212) that we have credited your FFEL Student Loan disbursement received from FIRST BANK to your student account. If you wish to cancel this disbursement, you have the right to do so. Please notify us by October 20 if you wish to exercise this right.

Sincerely,

I. H. Avemoney
Bursar, M&T Institute

What is incorrect and/or missing from this notice to the student?

TTMD School for Professional Training

I, ______________________________, authorize the TTMD School for Professional Training to use my Title IV funds to pay any charges on my student account and to hold all my Title IV funds until my student account is paid in full. I understand that this notice is in effect as long as I am enrolled at the TTMD School for Professional Training.

Signed: ______________________________

Date: ______________________________

Is this an appropriate student authorization form? What is incorrect and/or missing from this authorization?

Credit Balance Exercise

1. A student has $5,000 of allowable charges on his account at the Barclay School. The institution receives and credits his account with the following aid:

$1,500	Pell
$2,000	Stafford
$1,000	FSEOG
$2,500	National Honor Society Scholarship

Does the student have a Title IV credit balance? _________

What must the school do in this case? ___________________

2. Another student at Barclay School also has allowable charges of $5,000 on her account. The institution receives and credits her account with the following aid:

$1,000	Pell
$1,500	Stafford
$1,000	FSEOG
$2,000	Perkins

Does the student have a Title IV credit balance? _________

What must the school do in this case? ___________________

3. The Barclay School's first day of classes was September 10 .

If a student's account was credited on September 5, creating a Title IV credit balance, what is the date by which Barclay must pay the excess funds to the student or parent?

____

4. If a student's account was credited on September 20, creating a Title IV credit balance, what is the date by which Barclay must pay the excess funds to the student or parent?

____

Correcting Pell Grant Overpayments

Directions: Circle the true statement(s) in each item below.

1. A financial aid administrator at Bay State Academy miscalculates Greg's Pell award and disburses the funds to him. He has no more disbursements this year.

   (a) The school may collect the funds from Greg.

   (b) The school must immediately repay the funds to their Pell account with ED, using their own funds.

   (c) Greg is ineligible for further Title IV until the matter is resolved.

2. Dave includes erroneous information on his FAFSA, causing his EFC to be lower than it should. By the time the FAA at Bay State Academy discovers this, the funds have already been disbursed to Dave.

   (a) The school must collect the funds from Dave.

   (b) The school must repay the funds to their Pell account with ED using their own funds, if necessary.

   (c) Dave is ineligible for further Title IV until the matter is resolved.

3. Bay State Academy decides to resolve Dave's overpayment by repaying his debt to ED with school funds, and then collecting the money from Dave as an institutional debt.

   (a) Dave no longer owes an overpayment.

   (b) Once the school has repaid ED, Dave is eligible for further Title IV, regardless of whether he has, in turn, repaid the school.

   (c) Dave is not eligible for Title IV until he has repaid his institutional debt.

4. The FAA at Bay State is able to correct another student's overpayment by reducing her second disbursement.

   (a) The school must cease disbursing any Title IV to the student until the second disbursement of Pell is made at the amount low enough to make up for the overpayment.

   (b) The school may continue to disburse title IV to the student.

5. Skip registers as a full-time student at Atlantic College. The school calculates his Pell Grant award and makes his first disbursement on the first day of classes. At the end of the add/drop period, the school determines that Skip only began attendance in half of his credits.

   (a) Atlantic must recalculate Skip's Pell based on half-time status.

   (b) The school has the option of recalculating Skip's Pell award.

   (c) The school does not have to recalculate the award because Skip owes the school the difference between a full-time Pell and a half-time Pell.

   (d) Skip will not be eligible for additional Pell until he repays the difference between a full-time and half-time Pell.

Correcting Campus-Based Overpayments

Pat enrolled at the Sherlock Institute of Investigation in a one-year certificate program. The COA for the 2-semester program was $6,000 for tuition and fees plus $5,000 for room/board/transportation and miscellaneous. Pat was awarded the following aid for the year:

$3,750- Pell
$2,625 - Stafford
$2,000 - FSEOG
$2,000 - Perkins

During the first semester, Pat demonstrated a mastery of investigative skills. She received a $2000 scholarship from the National Association of Investigators. The NAI sent the scholarship check directly to the Business Office at Sherlock. The check was credited to her account during the second semester.

At the time the check arrived, all of Pat's Pell and Stafford had been disbursed. The business office, however, did not notify the financial aid office, and the final FSEOG and Perkins disbursements were made.

Pat graduated first in her class and accepted a job with the FBI.

(a) Was the overpayment the result of a school error or a student error? ______________________

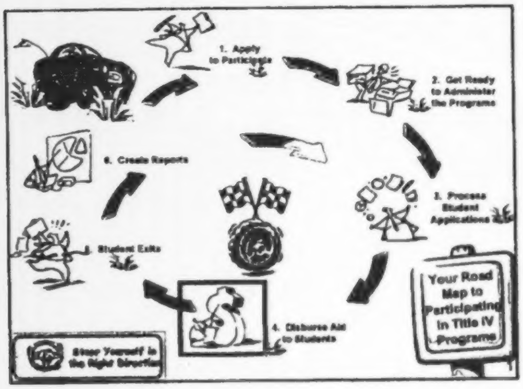
(b) What steps must the school take to correct the situation and why?

Pell ___________________________

Stafford ________________________

FSEOG ________________________

Perkins _________________________


1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Direction

Disburse Aid to Students

Disbursement

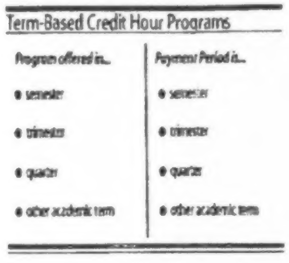
- When school credits a student's tuition/fee account or pays a student/parent directly with:
  - Funds received from the ED
  - Funds received from a lender under the FFEL program
  - Institutional funds used in advance of receiving funds from the ED

Crediting Student's Account

- May only credit account for allowable charges
  - Current charges for tuition, fees, and room/board if contracted with school
  - Current charges for educational activities if student/parent provides written authorization

Direct Payment

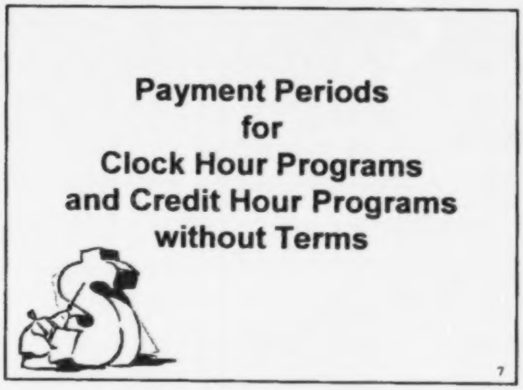
- Release check received from FFEL lender to the student or parent
- Issue a check or other instrument payable to and requiring endorsement of student or parent
- Initiate an electronic funds transfer to a bank account designated by the student or parent
- Pay the student in cash and obtain a signed receipt



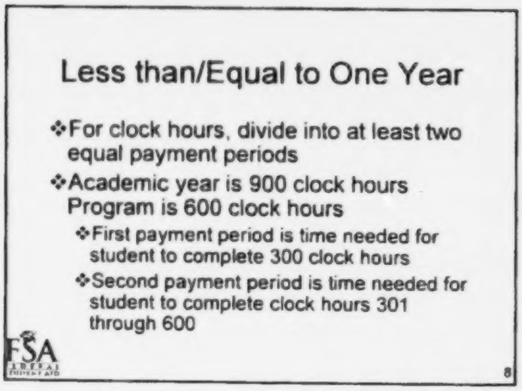
Term-Based Credit Hour Programs

Program offered in...	*Payment Period is...*
• semester	• semester
• trimester	• trimester
• quarter	• quarter
• other academic term	• other academic term

BEST COPY AVAILABLE

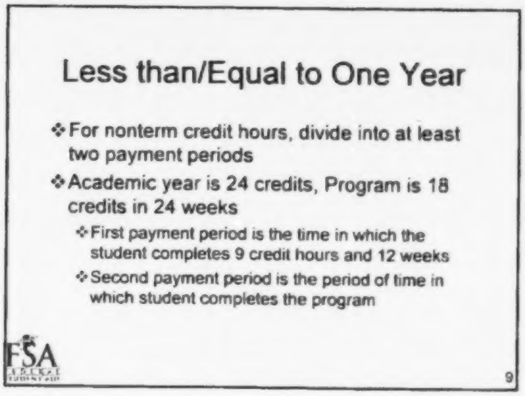


Payment Periods for Clock Hour Programs and Credit Hour Programs without Terms



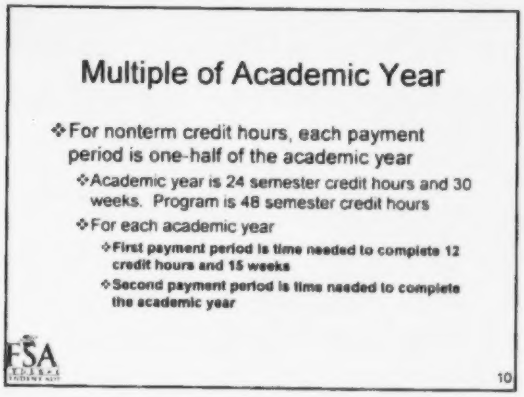
Less than/Equal to One Year

- For clock hours, divide into at least two equal payment periods
- Academic year is 900 clock hours Program is 600 clock hours
  - First payment period is time needed for student to complete 300 clock hours
  - Second payment period is time needed for student to complete clock hours 301 through 600



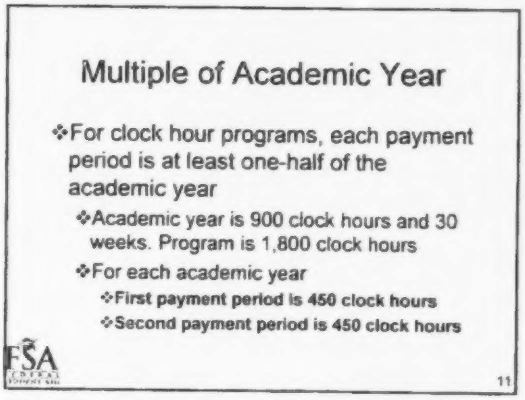
Less than/Equal to One Year

- For nonterm credit hours, divide into at least two payment periods
- Academic year is 24 credits, Program is 18 credits in 24 weeks
  - First payment period is the time in which the student completes 9 credit hours and 12 weeks
  - Second payment period is the period of time in which student completes the program



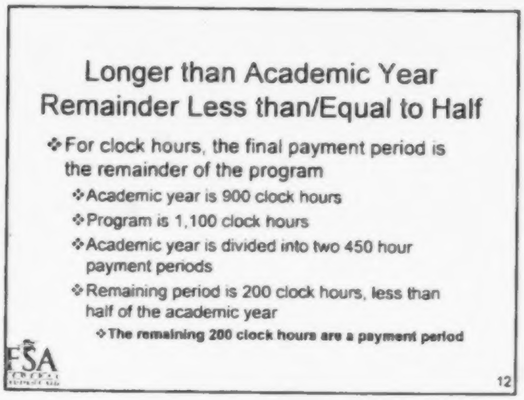
Multiple of Academic Year

- For nonterm credit hours, each payment period is one-half of the academic year
  - Academic year is 24 semester credit hours and 30 weeks. Program is 48 semester credit hours
  - For each academic year
    - **First payment period is time needed to complete 12 credit hours and 15 weeks**
    - **Second payment period is time needed to complete the academic year**



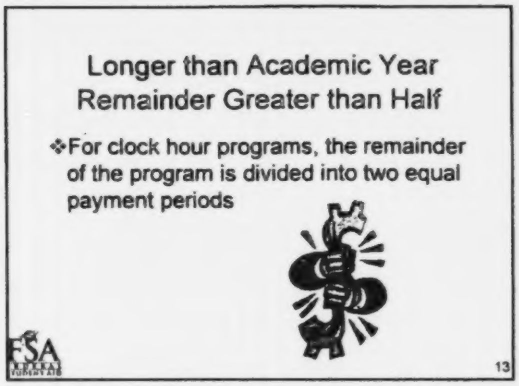
Multiple of Academic Year

- For clock hour programs, each payment period is at least one-half of the academic year
  - Academic year is 900 clock hours and 30 weeks. Program is 1,800 clock hours
  - For each academic year
    - **First payment period is 450 clock hours**
    - **Second payment period is 450 clock hours**



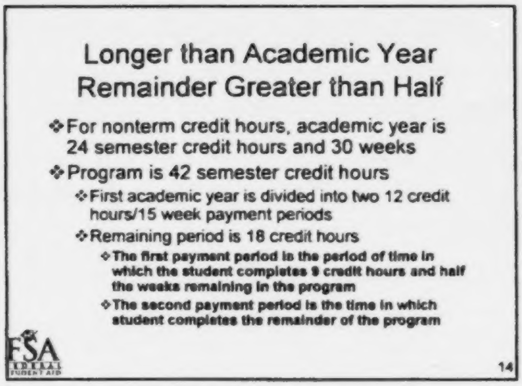
Longer than Academic Year Remainder Less than/Equal to Half

- For clock hours, the final payment period is the remainder of the program
  - Academic year is 900 clock hours
  - Program is 1,100 clock hours
  - Academic year is divided into two 450 hour payment periods
  - Remaining period is 200 clock hours, less than half of the academic year
    - **The remaining 200 clock hours are a payment period**



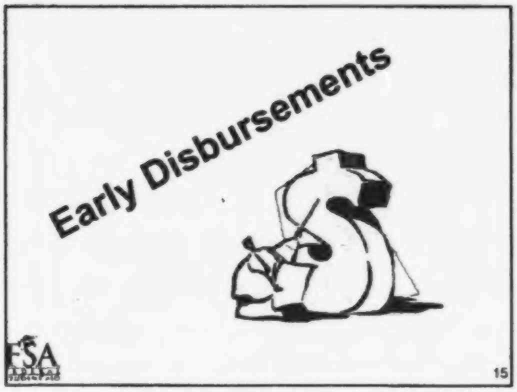
Longer than Academic Year Remainder Greater than Half

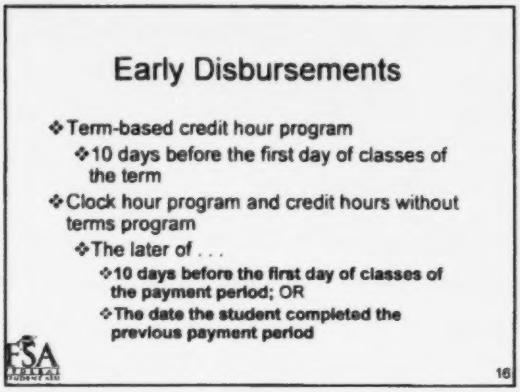
- For clock hour programs, the remainder of the program is divided into two equal payment periods



Longer than Academic Year Remainder Greater than Half

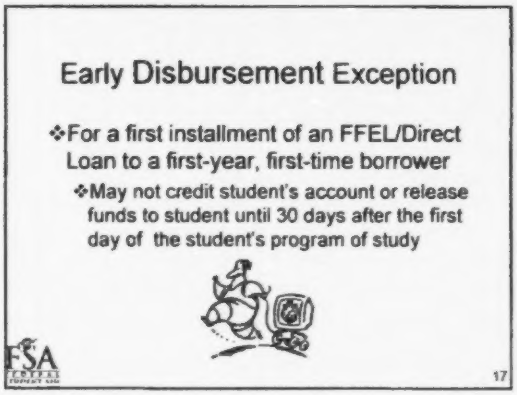
- For nonterm credit hours, academic year is 24 semester credit hours and 30 weeks
- Program is 42 semester credit hours
  - First academic year is divided into two 12 credit hours/15 week payment periods
  - Remaining period is 18 credit hours
    - **The first payment period is the period of time in which the student completes 9 credit hours and half the weeks remaining in the program**
    - **The second payment period is the time in which student completes the remainder of the program**





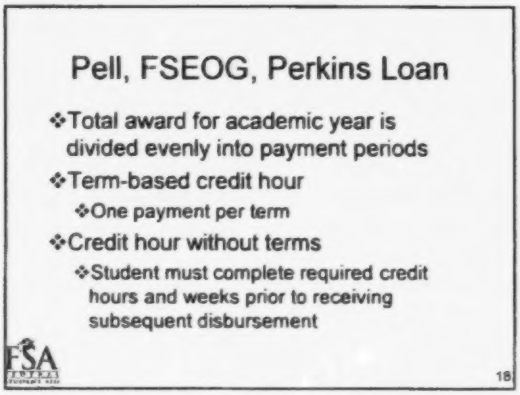
Early Disbursements

- Term-based credit hour program
  - 10 days before the first day of classes of the term
- Clock hour program and credit hours without terms program
  - The later of . . .
    - **10 days before the first day of classes of the payment period; OR**
    - **The date the student completed the previous payment period**



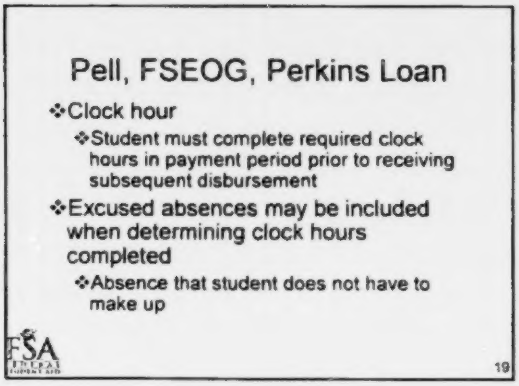
Early Disbursement Exception

- For a first installment of an FFEL/Direct Loan to a first-year, first-time borrower
  - May not credit student's account or release funds to student until 30 days after the first day of the student's program of study



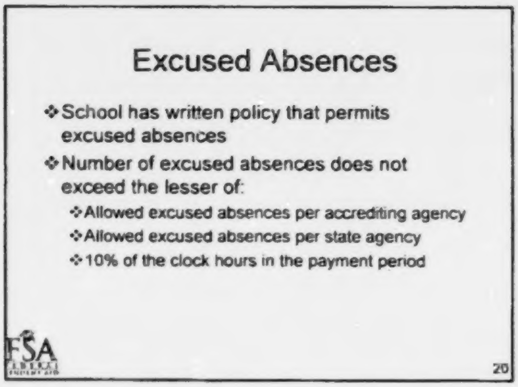
Pell, FSEOG, Perkins Loan

- Total award for academic year is divided evenly into payment periods
- Term-based credit hour
  - One payment per term
- Credit hour without terms
  - Student must complete required credit hours and weeks prior to receiving subsequent disbursement



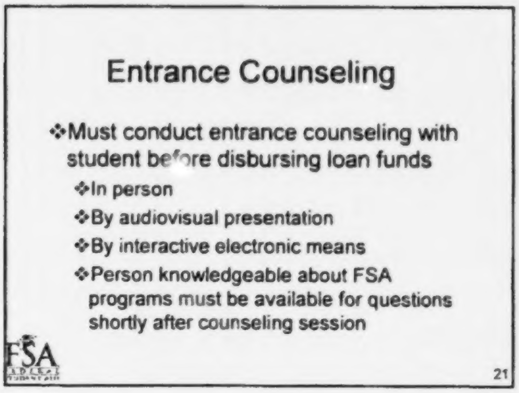
Pell, FSEOG, Perkins Loan

- Clock hour
  - Student must complete required clock hours in payment period prior to receiving subsequent disbursement
- Excused absences may be included when determining clock hours completed
  - Absence that student does not have to make up



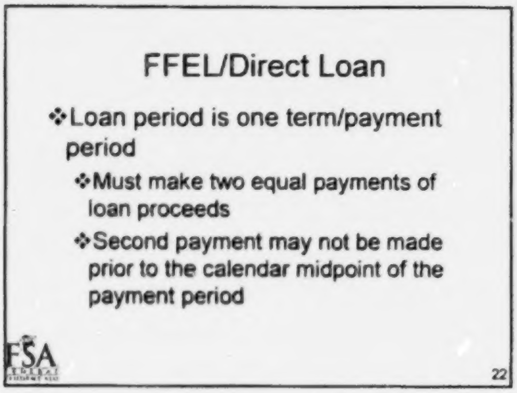
Excused Absences

- School has written policy that permits excused absences
- Number of excused absences does not exceed the lesser of:
  - Allowed excused absences per accrediting agency
  - Allowed excused absences per state agency
  - 10% of the clock hours in the payment period



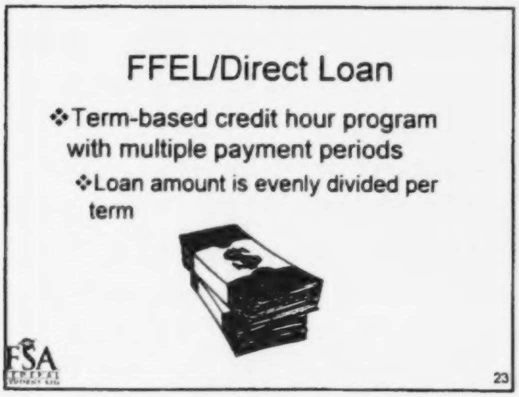
Entrance Counseling

- Must conduct entrance counseling with student before disbursing loan funds
  - In person
  - By audiovisual presentation
  - By interactive electronic means
  - Person knowledgeable about FSA programs must be available for questions shortly after counseling session



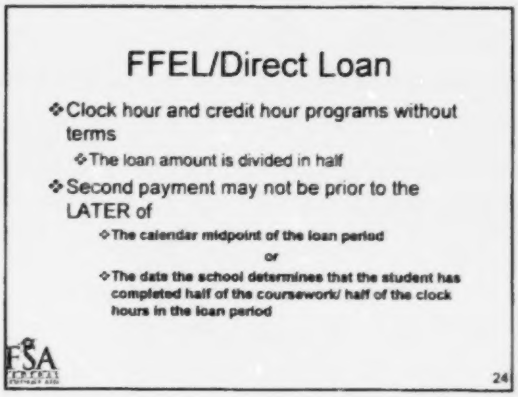
FFEL/Direct Loan

- Loan period is one term/payment period
  - Must make two equal payments of loan proceeds
  - Second payment may not be made prior to the calendar midpoint of the payment period



FFEL/Direct Loan

- Term-based credit hour program with multiple payment periods
  - Loan amount is evenly divided per term

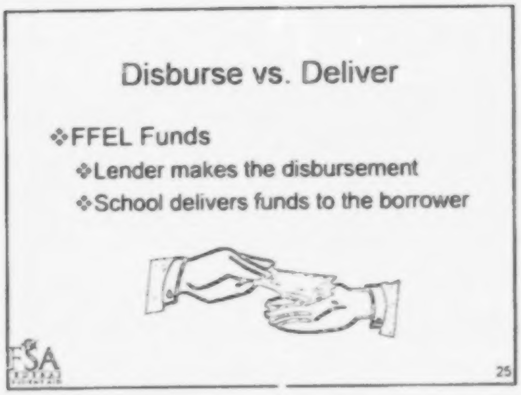


FFEL/Direct Loan

- Clock hour and credit hour programs without terms
  - The loan amount is divided in half
- Second payment may not be prior to the LATER of
  - The calendar midpoint of the loan period

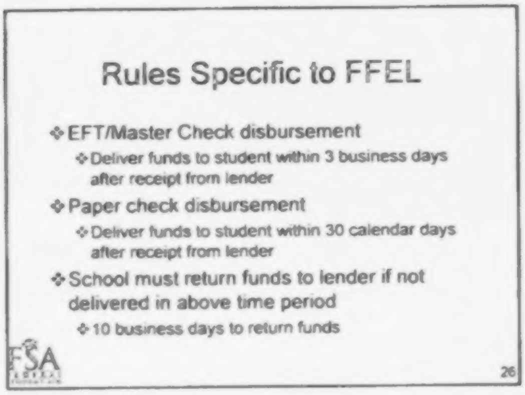
    or

  - The date the school determines that the student has completed half of the coursework/ half of the clock hours in the loan period



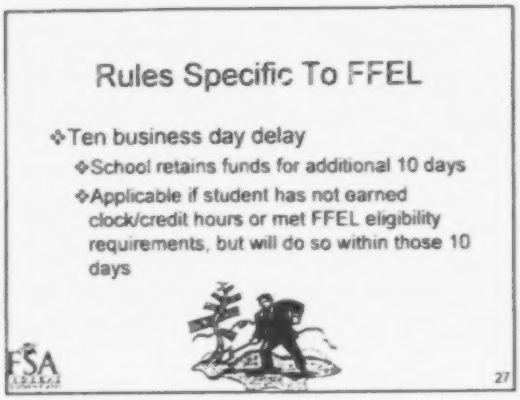
Disburse vs. Deliver

- FFEL Funds
  - Lender makes the disbursement
  - School delivers funds to the borrower



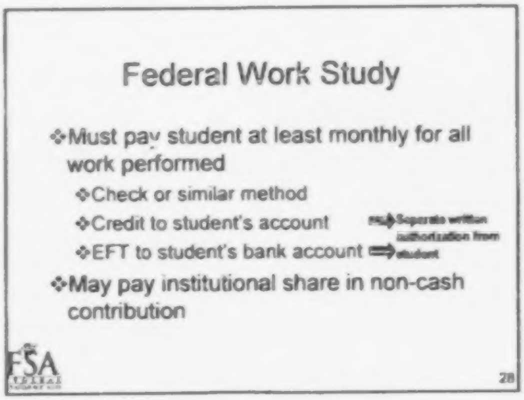
Rules Specific to FFEL

- EFT/Master Check disbursement
  - Deliver funds to student within 3 business days after receipt from lender
- Paper check disbursement
  - Deliver funds to student within 30 calendar days after receipt from lender
- School must return funds to lender if not delivered in above time period
  - 10 business days to return funds



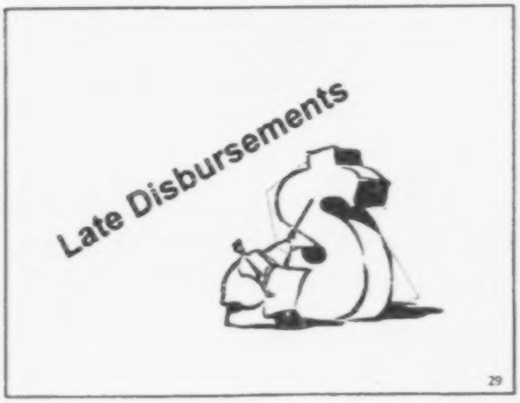
Rules Specific To FFEL

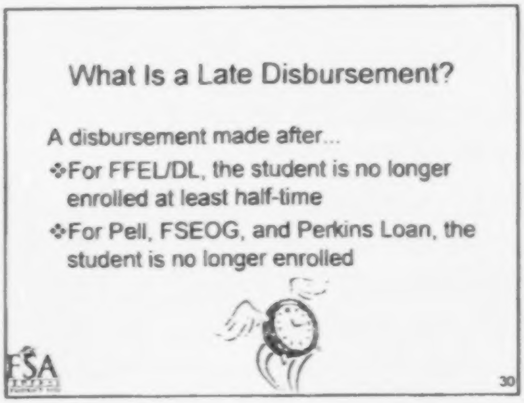
- Ten business day delay
  - School retains funds for additional 10 days
  - Applicable if student has not earned clock/credit hours or met FFEL eligibility requirements, but will do so within those 10 days



Federal Work Study

- Must pay student at least monthly for all work performed
  - Check or similar method
  - Credit to student's account ⇒ Separate written authorization from student
  - EFT to student's bank account ⇒
- May pay institutional share in non-cash contribution



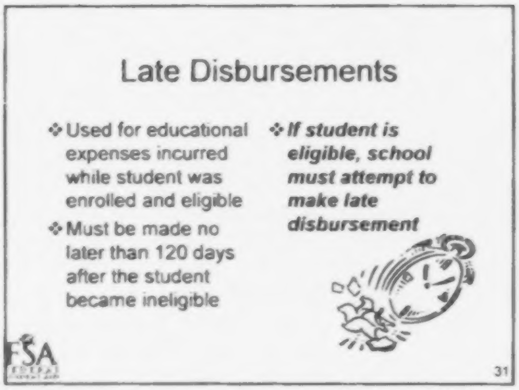


What Is a Late Disbursement?

A disbursement made after...

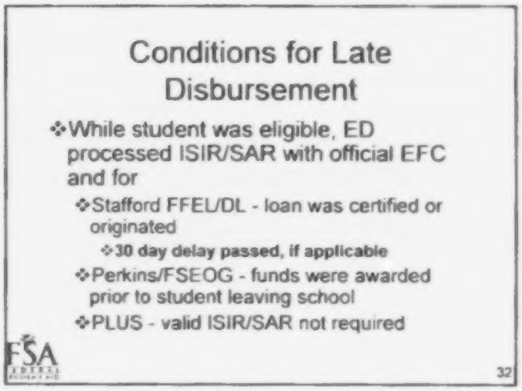
- For FFEL/DL, the student is no longer enrolled at least half-time
- For Pell, FSEOG, and Perkins Loan, the student is no longer enrolled

BEST COPY AVAILABLE



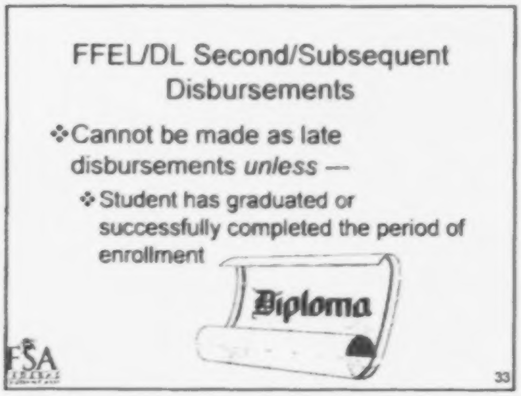
Late Disbursements

- Used for educational expenses incurred while student was enrolled and eligible
- Must be made no later than 120 days after the student became ineligible
- ***If student is eligible, school must attempt to make late disbursement***



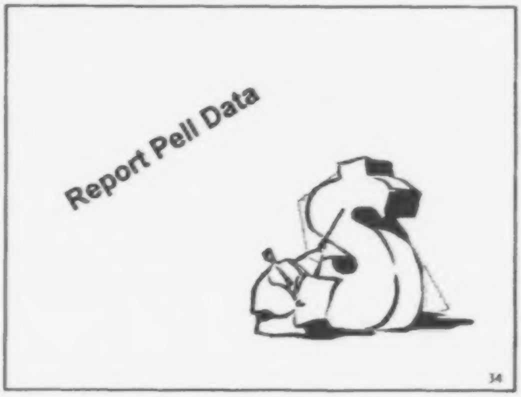
Conditions for Late Disbursement

- While student was eligible, ED processed ISIR/SAR with official EFC and for
  - Stafford FFEL/DL - loan was certified or originated
    - **30 day delay passed, if applicable**
  - Perkins/FSEOG - funds were awarded prior to student leaving school
  - PLUS - valid ISIR/SAR not required

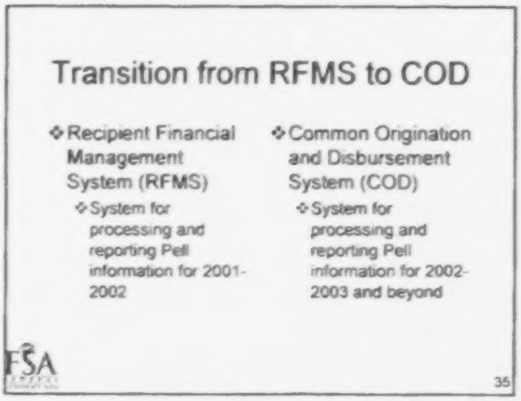


FFEL/DL Second/Subsequent Disbursements

- Cannot be made as late disbursements *unless* —
  - Student has graduated or successfully completed the period of enrollment

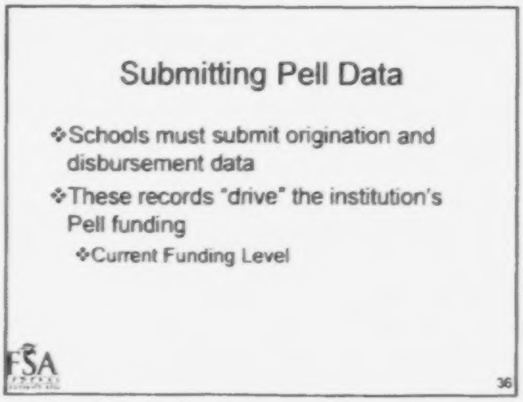


Report Pell Data



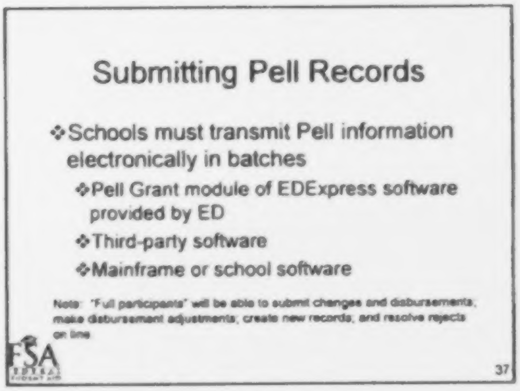
Transition from RFMS to COD

- Recipient Financial Management System (RFMS)
  - System for processing and reporting Pell information for 2001-2002
- Common Origination and Disbursement System (COD)
  - System for processing and reporting Pell information for 2002-2003 and beyond



Submitting Pell Data

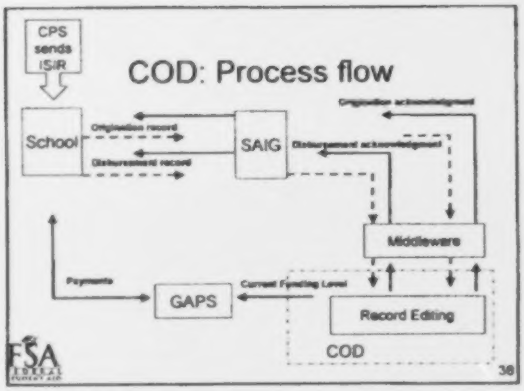
- Schools must submit origination and disbursement data
- These records "drive" the institution's Pell funding
  - Current Funding Level



Submitting Pell Records

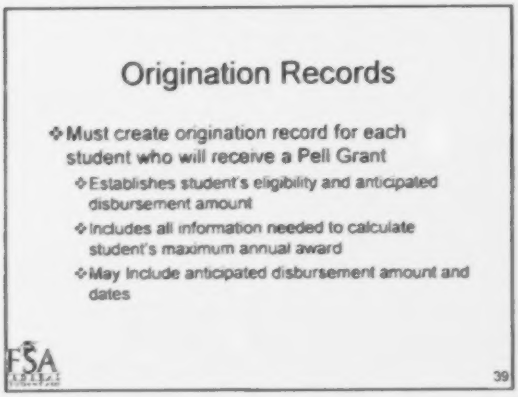
- Schools must transmit Pell information electronically in batches
  - Pell Grant module of EDExpress software provided by ED
  - Third-party software
  - Mainframe or school software

Note: "Full participants" will be able to submit changes and disbursements; make disbursement adjustments; create new records; and resolve rejects on line



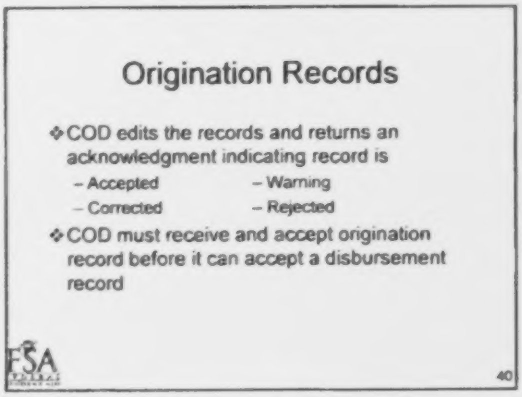
COD: Process flow

CPS sends ISIR
School
Origination record
Disbursement record
SAIG
Origination acknowledgment
Disbursement acknowledgment
Middleware
Payments
GAPS
Current Funding Level
Record Editing
COD



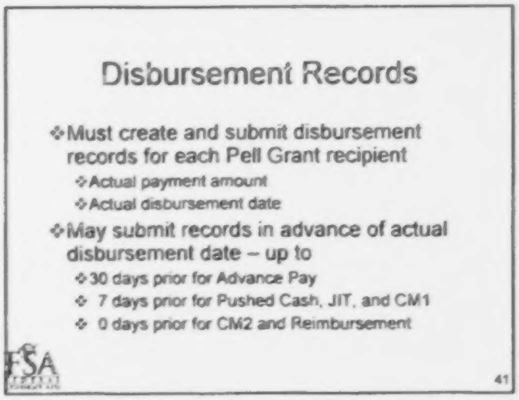
Origination Records

- Must create origination record for each student who will receive a Pell Grant
  - Establishes student's eligibility and anticipated disbursement amount
  - Includes all information needed to calculate student's maximum annual award
  - May include anticipated disbursement amount and dates



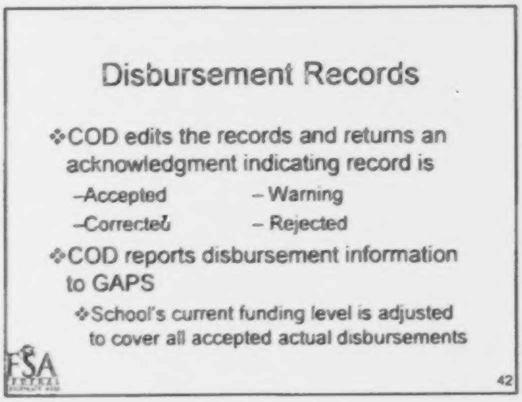
Origination Records

- COD edits the records and returns an acknowledgment indicating record is
  - – Accepted
  - – Warning
  - – Corrected
  - – Rejected
- COD must receive and accept origination record before it can accept a disbursement record



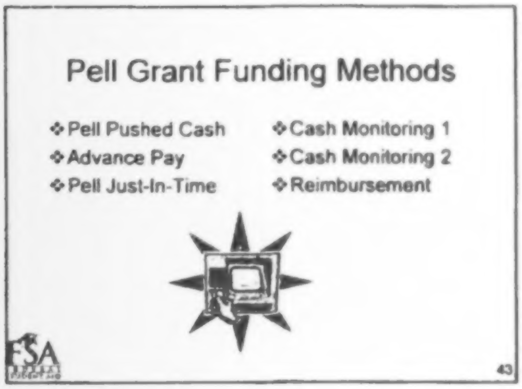
Disbursement Records

- Must create and submit disbursement records for each Pell Grant recipient
  - Actual payment amount
  - Actual disbursement date
- May submit records in advance of actual disbursement date – up to
  - 30 days prior for Advance Pay
  - 7 days prior for Pushed Cash, JIT, and CM1
  - 0 days prior for CM2 and Reimbursement



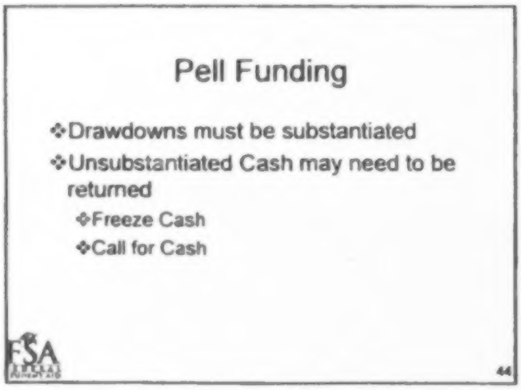
Disbursement Records

- COD edits the records and returns an acknowledgment indicating record is
  - –Accepted
  - – Warning
  - –Corrected
  - – Rejected
- COD reports disbursement information to GAPS
  - School's current funding level is adjusted to cover all accepted actual disbursements



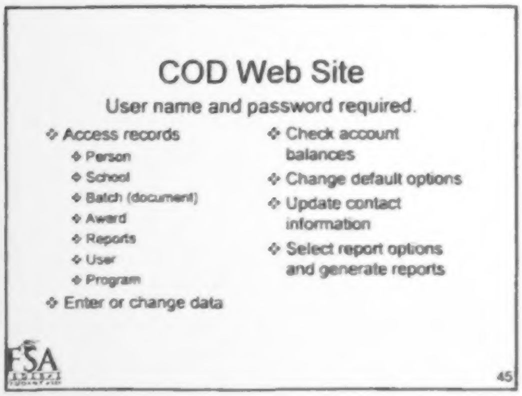
Pell Grant Funding Methods

- Pell Pushed Cash
- Advance Pay
- Pell Just-In-Time
- Cash Monitoring 1
- Cash Monitoring 2
- Reimbursement



Pell Funding

- Drawdowns must be substantiated
- Unsubstantiated Cash may need to be returned
  - Freeze Cash
  - Call for Cash



COD Web Site

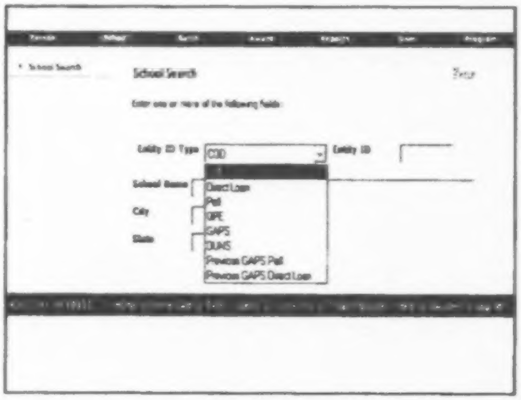
User name and password required.

- Access records
  - Person
  - School
  - Batch (document)
  - Award
  - Reports
  - User
  - Program
- Enter or change data
- Check account balances
- Change default options
- Update contact information
- Select report options and generate reports

COMMON ORIGINATION & DISBURSEMENT
FSA

Welcome to the Common Origination & Disbursement Web Site

Person
Person Search


Person
School
Batch
Award
Reports
User
Program
School Search

School Search

Entity ID Type: COD

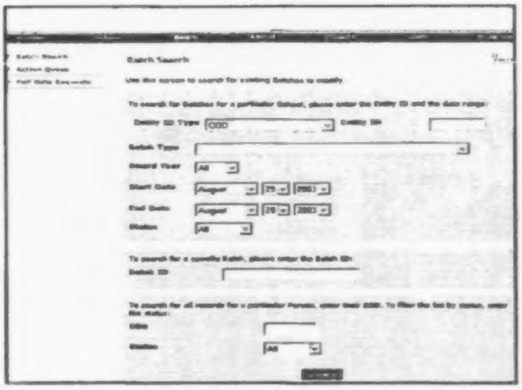
Entity ID

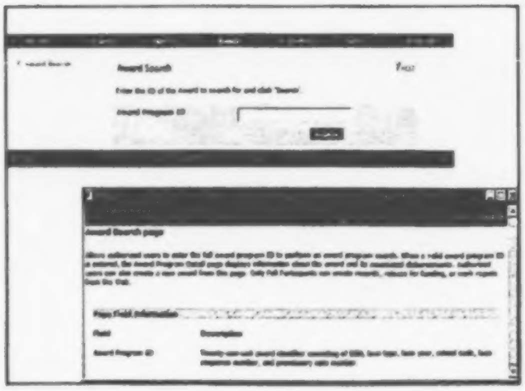
School Name

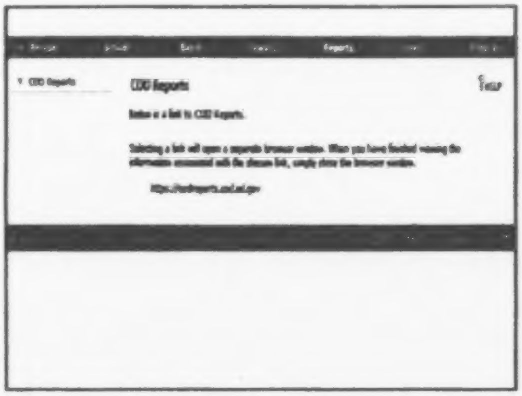
City

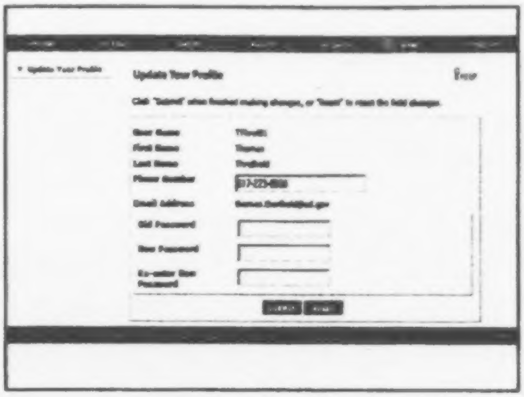
State

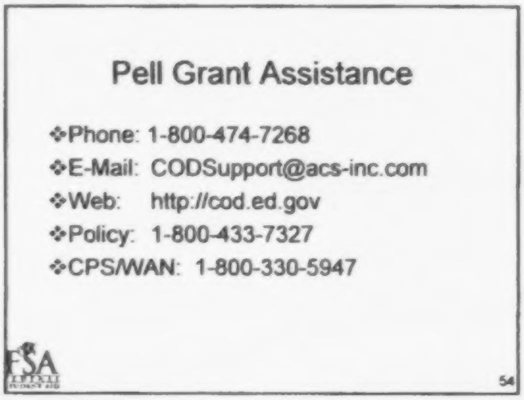
Direct Loan
Pell
OPE
GAPS
DUNS
Previous GAPS Pell
Previous GAPS Direct Loan











Pell Grant Assistance

- ❖Phone: 1-800-474-7268
- ❖E-Mail: CODSupport@acs-inc.com
- ❖Web: http://cod.ed.gov
- ❖Policy: 1-800-433-7327
- ❖CPS/WAN: 1-800-330-5947

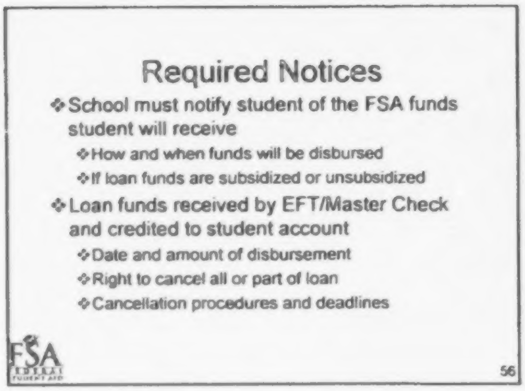
FSA

54

278

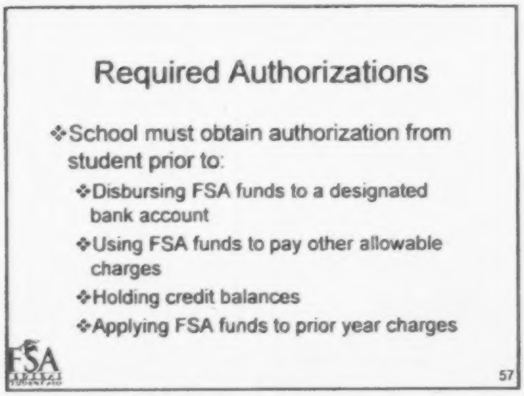
BEST COPY AVAILABLE

Notices and Authorizations



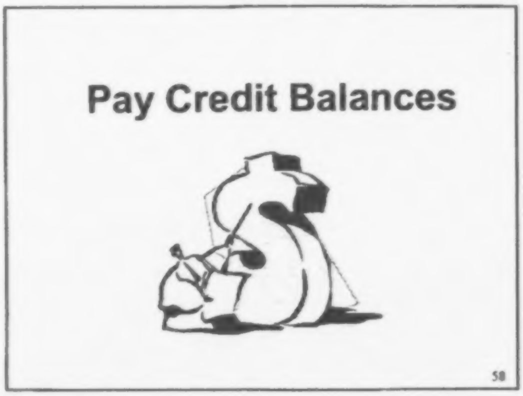
Required Notices

- ❖School must notify student of the FSA funds student will receive
  - ❖How and when funds will be disbursed
  - ❖If loan funds are subsidized or unsubsidized
- ❖Loan funds received by EFT/Master Check and credited to student account
  - ❖Date and amount of disbursement
  - ❖Right to cancel all or part of loan
  - ❖Cancellation procedures and deadlines

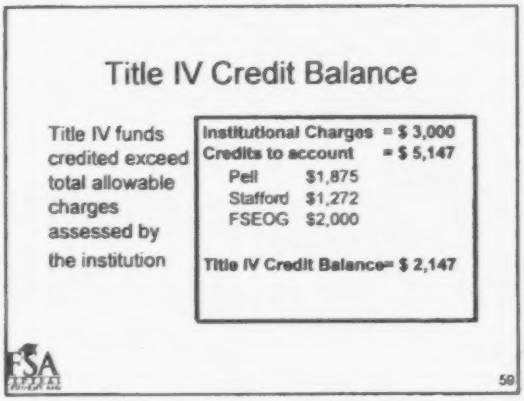


Required Authorizations

- ❖School must obtain authorization from student prior to:
  - ❖Disbursing FSA funds to a designated bank account
  - ❖Using FSA funds to pay other allowable charges
  - ❖Holding credit balances
  - ❖Applying FSA funds to prior year charges



Pay Credit Balances



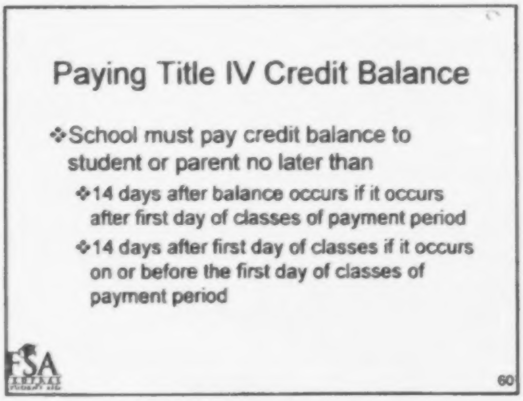
Title IV Credit Balance

Title IV funds credited exceed total allowable charges assessed by the institution

Institutional Charges = $ 3,000
Credits to account = $ 5,147

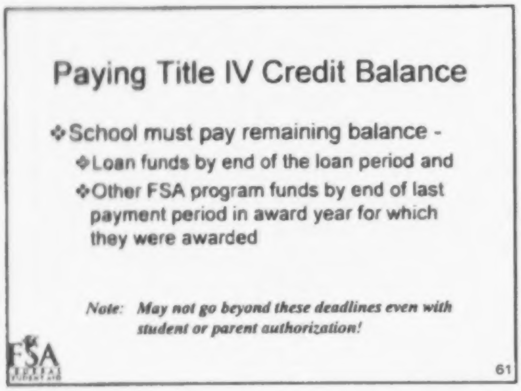
Pell	$1,875
Stafford	$1,272
FSEOG	$2,000

Title IV Credit Balance= $ 2,147



Paying Title IV Credit Balance

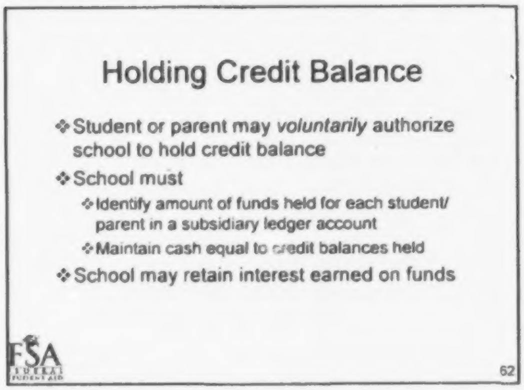
- ❖School must pay credit balance to student or parent no later than
  - ❖14 days after balance occurs if it occurs after first day of classes of payment period
  - ❖14 days after first day of classes if it occurs on or before the first day of classes of payment period



Paying Title IV Credit Balance

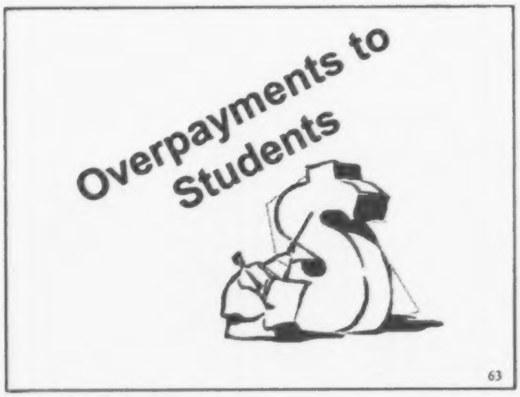
- School must pay remaining balance -
  - Loan funds by end of the loan period and
  - Other FSA program funds by end of last payment period in award year for which they were awarded

***Note:* May not go beyond these deadlines even with student or parent authorization!**

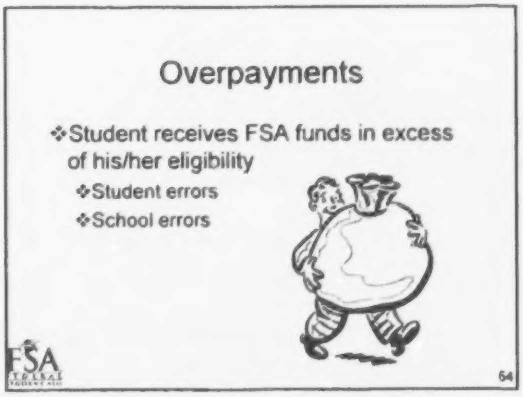


Holding Credit Balance

- Student or parent may *voluntarily* authorize school to hold credit balance
- School must
  - Identify amount of funds held for each student/ parent in a subsidiary ledger account
  - Maintain cash equal to credit balances held
- School may retain interest earned on funds

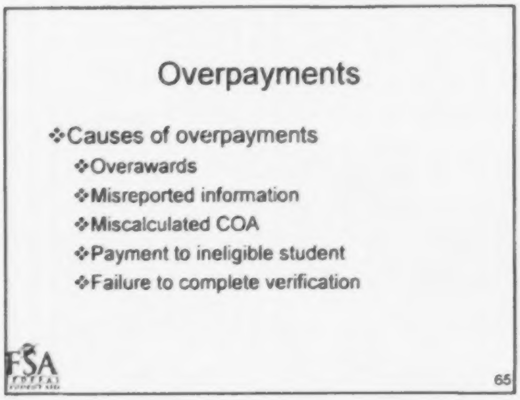


Overpayments to Students



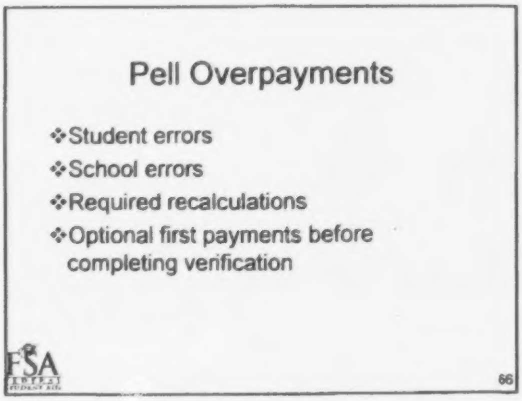
Overpayments

- Student receives FSA funds in excess of his/her eligibility
  - Student errors
  - School errors



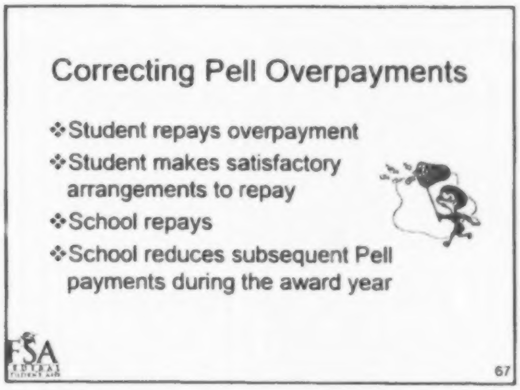
Overpayments

- Causes of overpayments
  - Overawards
  - Misreported information
  - Miscalculated COA
  - Payment to ineligible student
  - Failure to complete verification



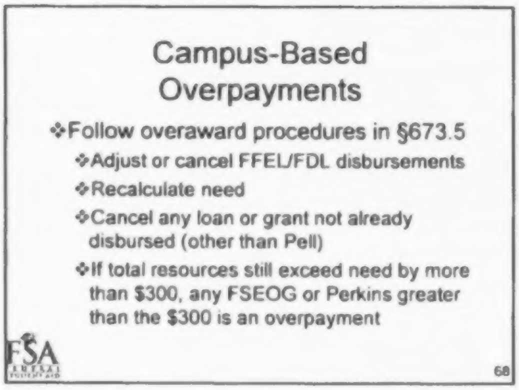
Pell Overpayments

- Student errors
- School errors
- Required recalculations
- Optional first payments before completing verification



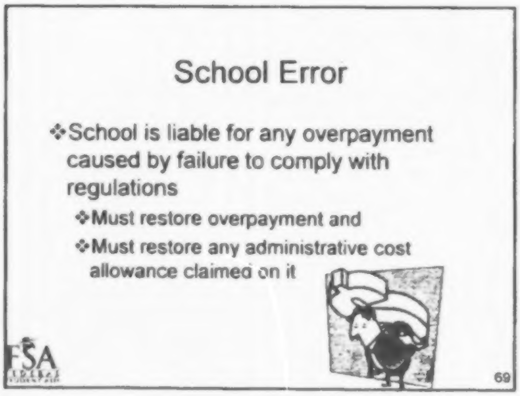
Correcting Pell Overpayments

- Student repays overpayment
- Student makes satisfactory arrangements to repay
- School repays
- School reduces subsequent Pell payments during the award year



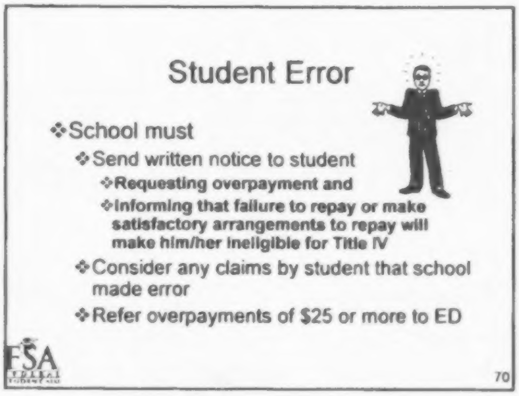
Campus-Based Overpayments

- Follow overaward procedures in §673.5
  - Adjust or cancel FFEL/FDL disbursements
  - Recalculate need
  - Cancel any loan or grant not already disbursed (other than Pell)
  - If total resources still exceed need by more than $300, any FSEOG or Perkins greater than the $300 is an overpayment



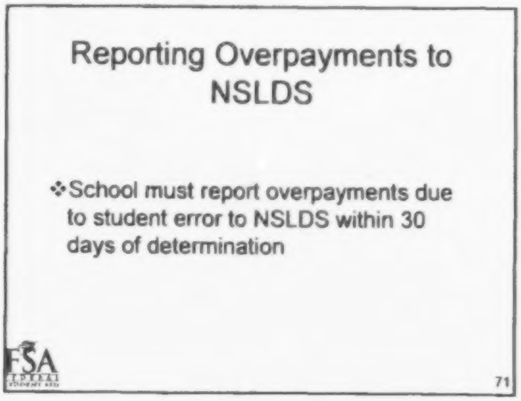
School Error

- School is liable for any overpayment caused by failure to comply with regulations
  - Must restore overpayment and
  - Must restore any administrative cost allowance claimed on it



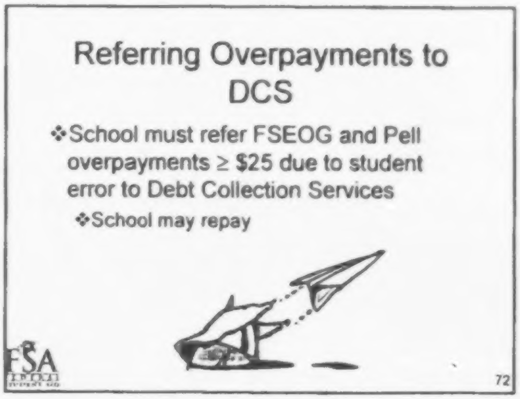
Student Error

- School must
  - Send written notice to student
    - **Requesting overpayment and**
    - **Informing that failure to repay or make satisfactory arrangements to repay will make him/her ineligible for Title IV**
  - Consider any claims by student that school made error
  - Refer overpayments of $25 or more to ED



Reporting Overpayments to NSLDS

- School must report overpayments due to student error to NSLDS within 30 days of determination



Referring Overpayments to DCS

- School must refer FSEOG and Pell overpayments ≥ $25 due to student error to Debt Collection Services
  - School may repay

Student Exits

- **Provide Loan Exit Counseling**
- **Prepare Timely NSLDS Enrollment Data**
- **Calculate and Return Title IV Funds When Student Withdraws**

Return of Title IV Funds Example

Credit Hour School Data

- Term-based, semester credit hour
- Academic year is two semesters and 30 weeks
- Applicable semester is 104 days, January 8 to April 20
  - No scheduled break of five or more consecutive days
- No requirement to take attendance
- FSEOG match is fund specific

Patrick's Information

Aid Package:	
Pell Grant disbursed	$1,875.00
FSEOG disbursed	$1,000.00
Subsidized Stafford loan certified/originated	
• expected proceeds of	$1,273.13

- Followed official withdrawal policy and began the withdrawal process on February 28 (52 days)
- Last date of attendance in class was February 24

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Patrick **Social Security Number** 444-44-4444

Date Form Completed / / **Date of the institution's determination that the student withdrew** 2/28/XX

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

> Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	1875	
2. Subsidized FFEL/Direct Stafford Loan		1273.13	6. FSEOG	1000	
3. Perkins Loan			7. Other Title IV programs* *Do not include FWS		
4. FFEL/Direct PLUS					

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $2875.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $ 4148.13

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

- Withdrawal date 2/28/XX Payment period/period of enrollment start date 1/8/XX end date 4/20/XX
- Percentage of payment period or period of enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence).

52 (completed days) ÷ 104 (total days) = 50.0%

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C. **C** 50.0%

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B) 50 % (Box C) x 4148.13 (Box B) = **D** $2074.07

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet. (Box D) – (Box A) = **E** $.

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned. 2875 (Box A) – 2074.07 (Box D) **F** $ 800.93

12/29/99

Student Exits

Student's Name Patrick **Social Security Number** 444-44-4444

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	5000	Board		Other	
Room		Other		Other	

Total Institutional Charges **G** $ 5000.00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 50.0%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).
5000 (Box G) x 50 % (Box H) = **I** $ 2500.00

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $ 800.93

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	800.93
2. Subsidized FFEL/Direct Stafford Loan		6. FSEOG	
3. Perkins Loan		7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).
800.93 (Box F) - 800.93 (Box J) = **K** $ 0.00

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant		x 50%=	
2. Subsidized FFEL/Direct Stafford Loan*		6. FSEOG		x 50%=	
3. Perkins Loan*		7. Other Title IV programs (x 50% for grant funds)			
4. FFEL/Direct PLUS*					

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name ____________________ **Social Security Number** ____________________

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet **A** $.

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account **B** $.

C. Total amount of post-withdrawal disbursement credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) $ __________
- Amount of post-withdrawal disbursement credited for other current charges + $ __________
- Amount of post-withdrawal disbursement credited for minor prior year charges + $ __________

Total Amount Credited to Account **C** $.

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ___/___/___

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ___/___/___

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent **F** $.

G. Notification sent to student and/or parent on ___/___/___

H. ☐ Response received from student/parent on ___/___/___

☐ Response not received

I. Amount accepted **I** $.

J. Accepted funds sent on ___/___/___

Post-Withdrawal Disbursement Made From

Pell Grant __________
FSEOG __________
Other Title IV programs (grants) __________

Subsidized FFEL/Direct Stafford Loan __________
Unsubsidized FFEL/Direct Stafford Loan __________
Perkins Loan __________
FFEL/Direct PLUS __________
Other Title IV programs (loans) __________

12/29/99

Return of Title IV Funds Example

Clock Hour School Data

- 1,000 clock hour, 40-week program
- Classes are scheduled for 25 clock hours per week
- Accrediting agency requires that attendance be taken
- School does not allow excused absences
- FSEOG match is fund specific

Christopher's Information

Aid Package:

Pell Grant disbursed	$1,875.00
FSEOG disbursed	$1,000.00
Subsidized Stafford loan certified/originated	
• expected proceeds of	$1,273.13

- Last date of recorded attendance was February 28
- Completed 425 clock hours
- Officially withdrew on March 3

Treatment of Title IV Funds When a Student Withdraws from A Clock Hour Program

Student's Name Christopher **Social Security Number** 333-33-3333

Date Form Completed / / **Date of the institution's determination that the student withdrew** 3/31/XX

Period used for calculation (check one) ☐ payment period ☒ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	1875	
2. Subsidized FFEL/Direct Stafford Loan		1273.13	6. FSEOG	1000	
3. Perkins Loan			7. Other Title IV programs* *Do not include FWS.		
4. FFEL/Direct PLUS					

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** $2875.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** $4148.13

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date 2/28/XX

• Percentage of payment period or period of enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment 425 (completed hours) ÷ 1000 (total hours) = 42.5%

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew. 425 (completed hours) ÷ 500 (scheduled to complete) = 85.0%

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

*Excused absences do NOT count as completed hours. 500 (scheduled to complete) ÷ 1000 (total hours) = 50.0% **C** 50.0%

STEP 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B) 50% (Box C) x 4148.13 (Box B) = **D** $2074.07

STEP 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

12/29/99

Student Exits

Student's Name Christopher Social Security Number 333-33-3333

STEP 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. ***Post-withdrawal disbursement.*** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

☐ Box D − ☐ Box A = **E** $.

F. ***Title IV aid to be returned.*** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

2875 Box A − 2074.07 Box D = **F** $ 800.93

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	5000	Board		Other	
Room		Other		Other	

Total Institutional Charges **G** $ 5000.00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 50.0%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

5000 Box G x 50 % Box H = **I** $ 2500.00

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** $ 800.93

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	800.93
2. Subsidized FFEL/Direct Stafford Loan		6. FSEOG	
3. Perkins Loan		7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV aid due from the school (Box J) from the amount of Title IV aid to be returned (Box F).

800.93 Box F − 800.93 Box J = **K** $ 0.00

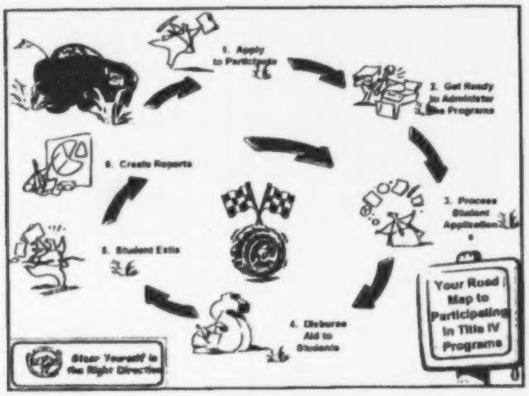
STEP 8: Return of Funds by the STUDENT

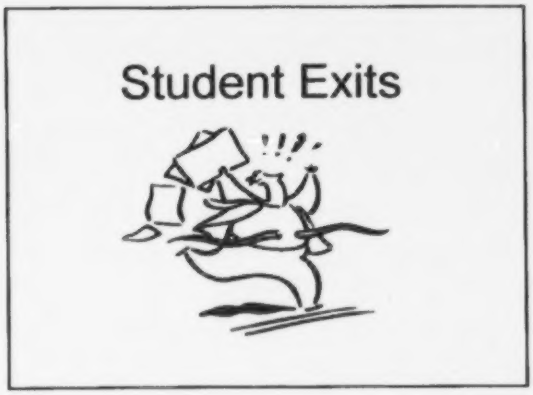
The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant		x 50%=	
2. Subsidized FFEL/Direct Stafford Loan*		6. FSEOG		x 50%=	
3. Perkins Loan*		7. Other Title IV programs (x 50% for grant funds)			
4. FFEL/Direct PLUS*					

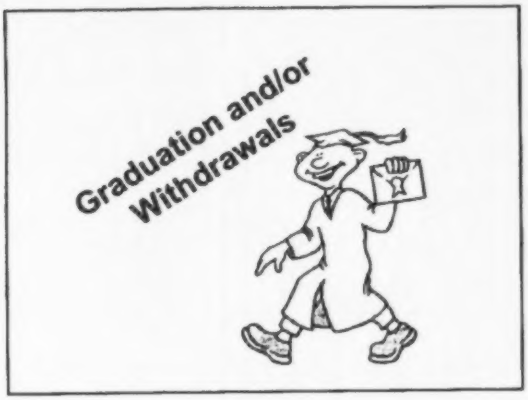
*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

12/29/99


1. Apply to Participate
2. Get Ready to Administer the Programs
3. Process Student Applications
4. Disburse Aid to Students
5. Student Exits
6. Create Reports
Your Road Map to Participating in Title IV Programs
Steer Yourself in the Right Direction



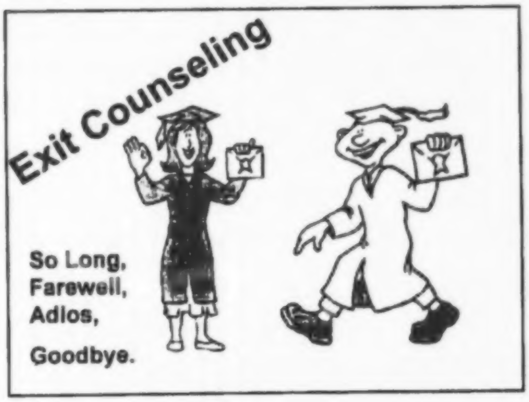
Student Exits



Graduation and/or Withdrawals

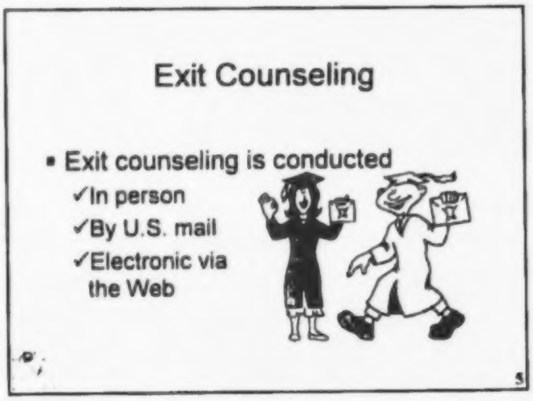
Withdrawal/Loss of Eligibility

- When student does not register and never establishes loan eligibility
  - ✓ School returns loan funds back to lender/or Direct Loan Servicer
- If loan proceeds have been disbursed to a registered student who never begins attendance
  - ✓ School notifies lender/Direct Loan Servicer who will send demand letter to borrower
  - ✓ School returns any funds credited to student's account to the lender



Exit Counseling

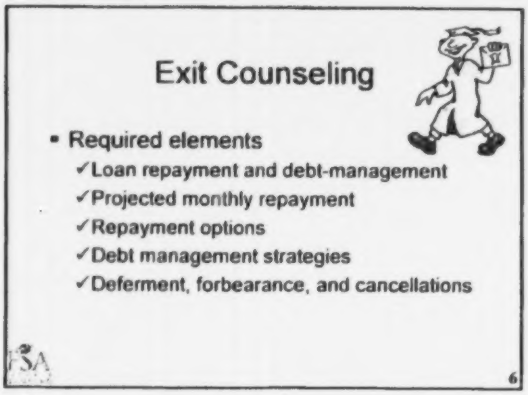
So Long,
Farewell,
Adios,
Goodbye.



Exit Counseling

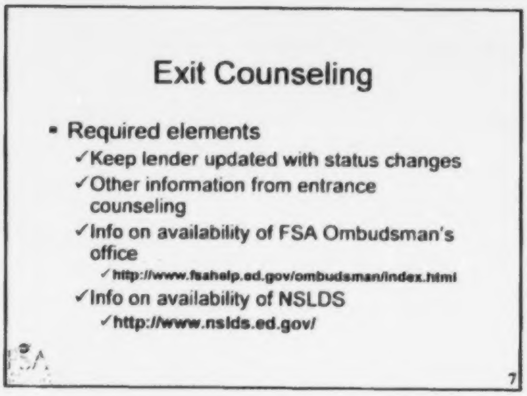
- Exit counseling is conducted
  - ✓In person
  - ✓By U.S. mail
  - ✓Electronic via the Web

BEST COPY AVAILABLE



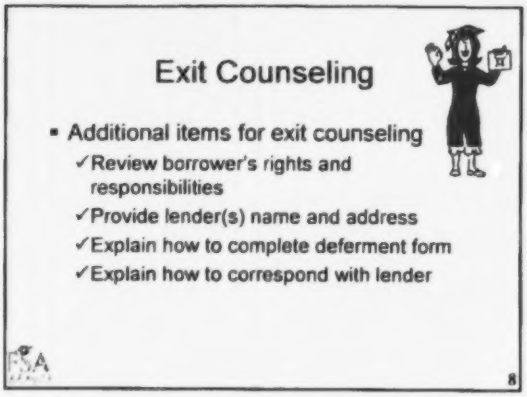
Exit Counseling

- Required elements
  - ✓Loan repayment and debt-management
  - ✓Projected monthly repayment
  - ✓Repayment options
  - ✓Debt management strategies
  - ✓Deferment, forbearance, and cancellations



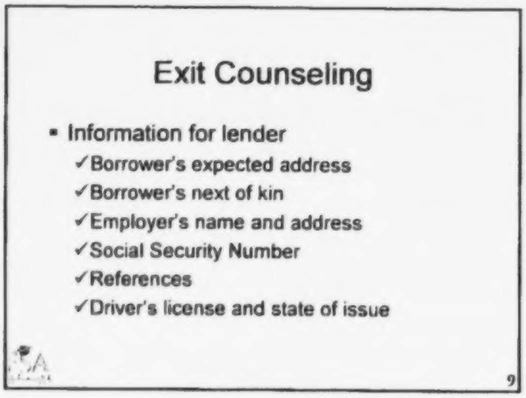
Exit Counseling

- Required elements
  - ✓Keep lender updated with status changes
  - ✓Other information from entrance counseling
  - ✓Info on availability of FSA Ombudsman's office
    - ✓http://www.fsahelp.ed.gov/ombudsman/index.html
  - ✓Info on availability of NSLDS
    - ✓http://www.nslds.ed.gov/



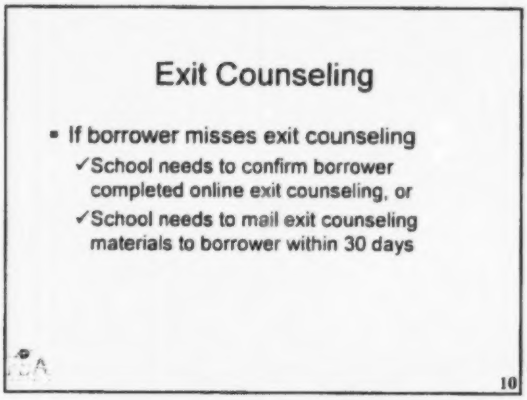
Exit Counseling

- Additional items for exit counseling
  - ✓Review borrower's rights and responsibilities
  - ✓Provide lender(s) name and address
  - ✓Explain how to complete deferment form
  - ✓Explain how to correspond with lender



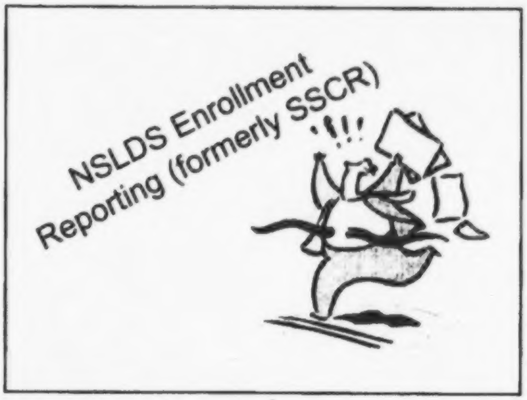
Exit Counseling

- Information for lender
  - ✓Borrower's expected address
  - ✓Borrower's next of kin
  - ✓Employer's name and address
  - ✓Social Security Number
  - ✓References
  - ✓Driver's license and state of issue

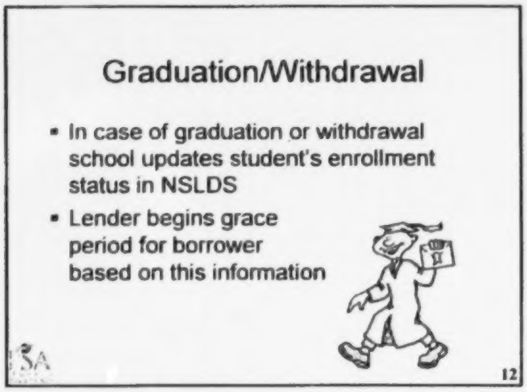


Exit Counseling

- If borrower misses exit counseling
  - ✓School needs to confirm borrower completed online exit counseling, or
  - ✓School needs to mail exit counseling materials to borrower within 30 days



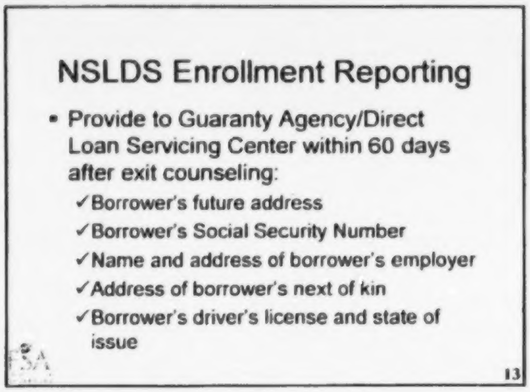
NSLDS Enrollment Reporting (formerly SSCR)



Graduation/Withdrawal

- In case of graduation or withdrawal school updates student's enrollment status in NSLDS
- Lender begins grace period for borrower based on this information

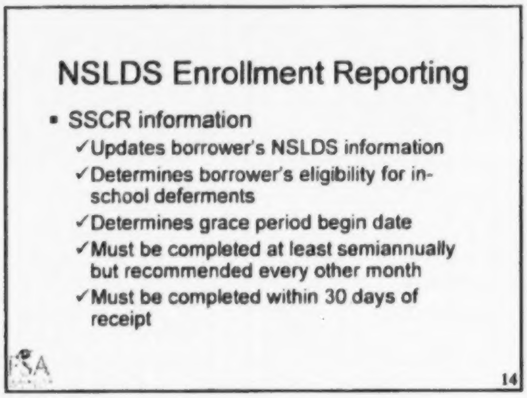
FSA



NSLDS Enrollment Reporting

- Provide to Guaranty Agency/Direct Loan Servicing Center within 60 days after exit counseling:
  - ✓Borrower's future address
  - ✓Borrower's Social Security Number
  - ✓Name and address of borrower's employer
  - ✓Address of borrower's next of kin
  - ✓Borrower's driver's license and state of issue

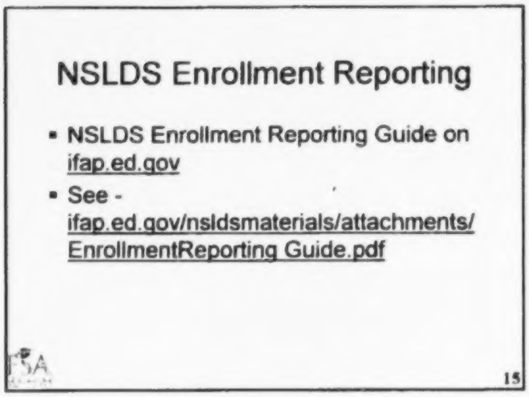
FSA



NSLDS Enrollment Reporting

- SSCR information
  - ✓Updates borrower's NSLDS information
  - ✓Determines borrower's eligibility for in-school deferments
  - ✓Determines grace period begin date
  - ✓Must be completed at least semiannually but recommended every other month
  - ✓Must be completed within 30 days of receipt

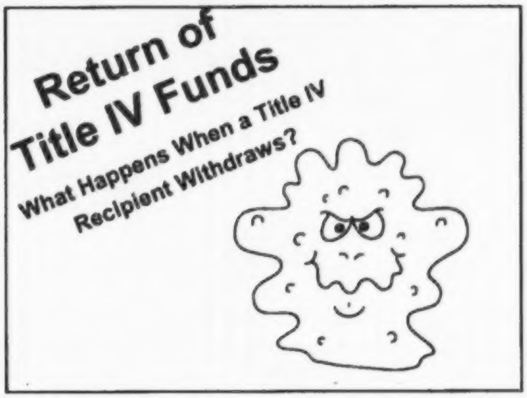
FSA



NSLDS Enrollment Reporting

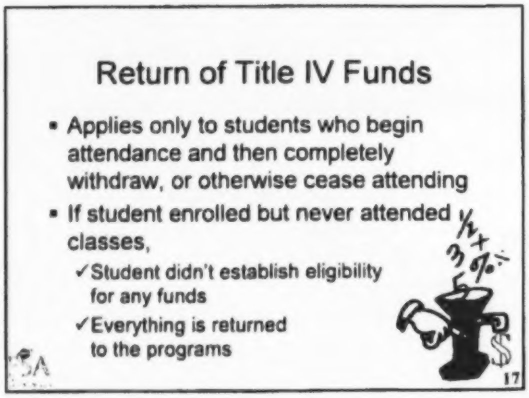
- NSLDS Enrollment Reporting Guide on ifap.ed.gov
- See - ifap.ed.gov/nsldsmaterials/attachments/EnrollmentReporting Guide.pdf

FSA



Return of Title IV Funds

What Happens When a Title IV Recipient Withdraws?



Return of Title IV Funds

- Applies only to students who begin attendance and then completely withdraw, or otherwise cease attending
- If student enrolled but never attended classes,
  - ✓Student didn't establish eligibility for any funds
  - ✓Everything is returned to the programs

FSA

How does the calculation work?

- Student earns Title IV aid through attendance
  - ✓Percentage of aid earned is equal to the percentage of payment period or enrollment period completed

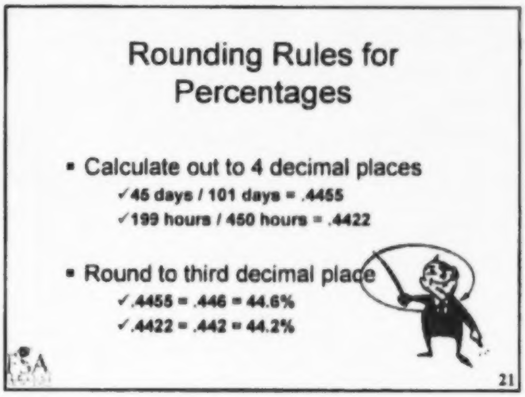
How does it work?

- If student has ***received more*** money than he has earned, money is returned to the programs
- If student has ***received less*** money than he has earned, a post-withdrawal disbursement must be calculated

Consumer Information

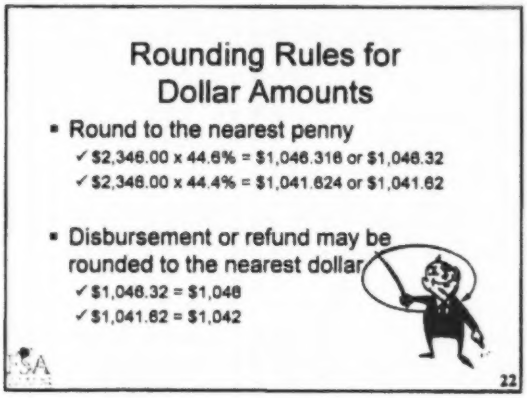
Provide to prospective and current students:

- Any refund policy with which school must comply
- School's tuition refund policy
- Requirements for treatment of Title IV funds after withdrawal
- Procedures for official withdrawal



Rounding Rules for Percentages

- Calculate out to 4 decimal places
  - ✓45 days / 101 days = .4455
  - ✓199 hours / 450 hours = .4422
- Round to third decimal place
  - ✓.4455 = .446 = 44.6%
  - ✓.4422 = .442 = 44.2%

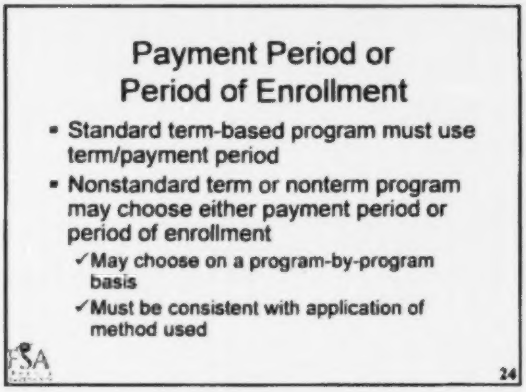


Rounding Rules for Dollar Amounts

- Round to the nearest penny
  - ✓$2,346.00 x 44.6% = $1,046.316 or $1,046.32
  - ✓$2,346.00 x 44.4% = $1,041.624 or $1,041.62
- Disbursement or refund may be rounded to the nearest dollar
  - ✓$1,046.32 = $1,046
  - ✓$1,041.62 = $1,042

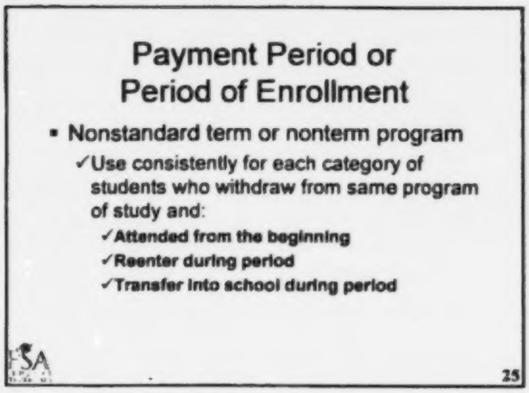
Date of Institution's Determination that Student Withdrew

- When did the school know of the student's withdrawal?
- If not official withdrawal, determine withdrawal date no later than 30 days after the end of the earlier of the . . .
  - ✓Payment period or period of enrollment
  - ✓Academic year
  - ✓Educational program



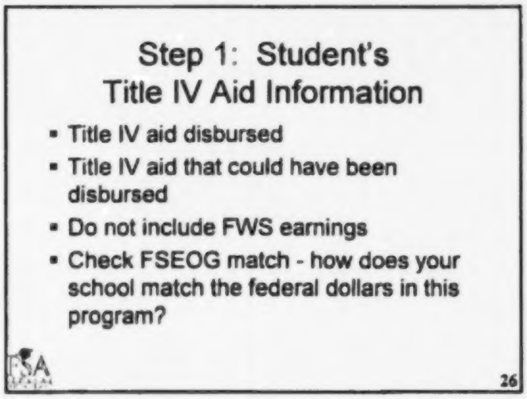
Payment Period or Period of Enrollment

- Standard term-based program must use term/payment period
- Nonstandard term or nonterm program may choose either payment period or period of enrollment
  - ✓May choose on a program-by-program basis
  - ✓Must be consistent with application of method used



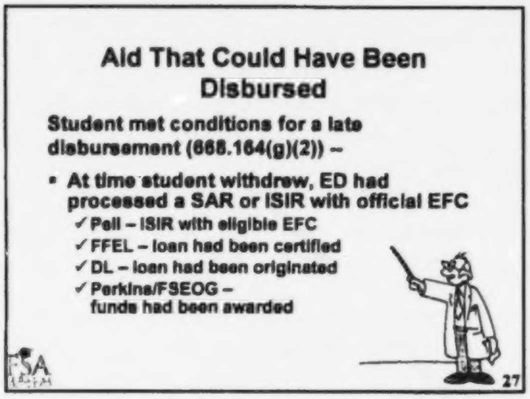
Payment Period or Period of Enrollment

- Nonstandard term or nonterm program
  - ✓Use consistently for each category of students who withdraw from same program of study and:
    - ✓**Attended from the beginning**
    - ✓**Reenter during period**
    - ✓**Transfer into school during period**



Step 1: Student's Title IV Aid Information

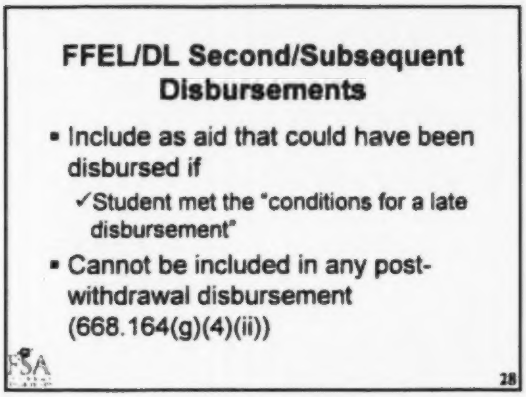
- Title IV aid disbursed
- Title IV aid that could have been disbursed
- Do not include FWS earnings
- Check FSEOG match - how does your school match the federal dollars in this program?



Aid That Could Have Been Disbursed

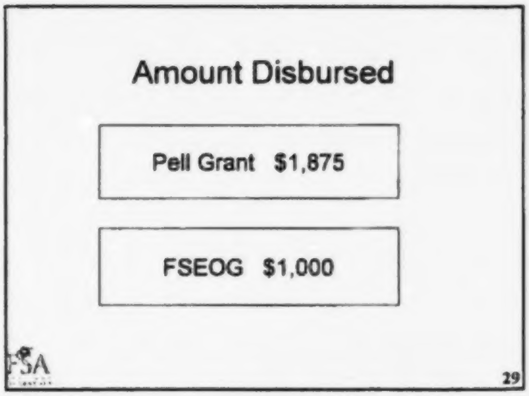
Student met conditions for a late disbursement (668.164(g)(2)) –

- **At time student withdrew, ED had processed a SAR or ISIR with official EFC**
  - ✓**Pell – ISIR with eligible EFC**
  - ✓**FFEL – loan had been certified**
  - ✓**DL – loan had been originated**
  - ✓**Perkins/FSEOG – funds had been awarded**



FFEL/DL Second/Subsequent Disbursements

- Include as aid that could have been disbursed if
  - ✓Student met the "conditions for a late disbursement"
- Cannot be included in any post-withdrawal disbursement (668.164(g)(4)(ii))



Amount Disbursed

Pell Grant $1,875

FSEOG $1,000

Net Amount That Could Have Been Disbursed

Subsidized Loan $1,273.13

Box A

$2,875

Box B

$4,148.13

STEP 2:
Withdrawal Date - School That Is Required to Take Attendance

IF… school is required to take attendance
- ✓By outside entity for some part of the period of enrollment

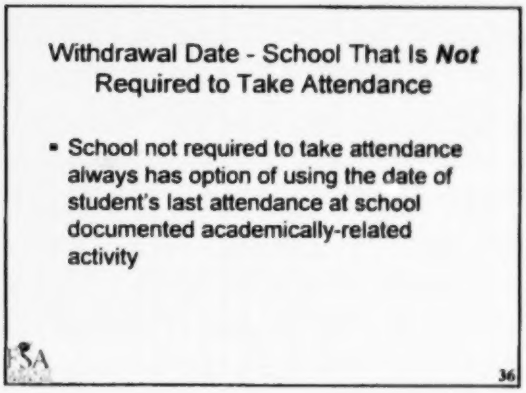
Then... withdrawal date is taken from attendance records
- ✓Requirement might apply only to specific groups of students

Withdrawal Date- School That Is *Not* Required to Take Attendance

- Use
  - ✓Earlier of date student began school's withdrawal process or date student otherwise provided "official" notice; **Or**
  - ✓If student didn't notify school, midpoint in period; **Or**
  - ✓If student didn't notify due to circumstances beyond student's control, date related to that circumstance; **Or**

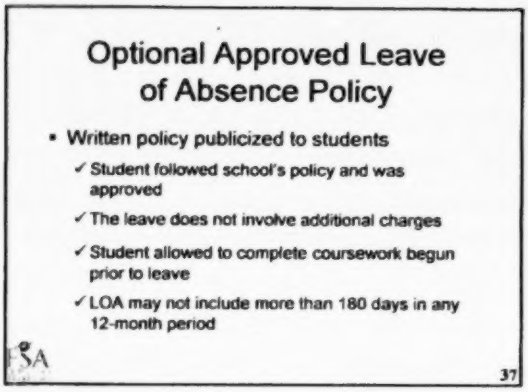
Withdrawal Date - School That Is *Not* Required to Take Attendance

- **If student didn't return from approved leave of absence**
  - ✓Date school determines leave began; **Or**
- **If student took unapproved leave of absence**
  - ✓Date student began leave



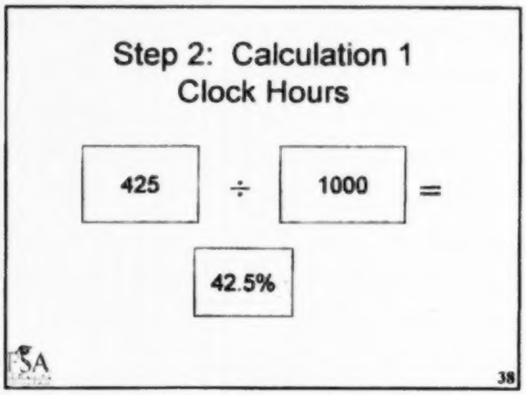
Withdrawal Date - School That Is *Not* Required to Take Attendance

- School not required to take attendance always has option of using the date of student's last attendance at school documented academically-related activity



Optional Approved Leave of Absence Policy

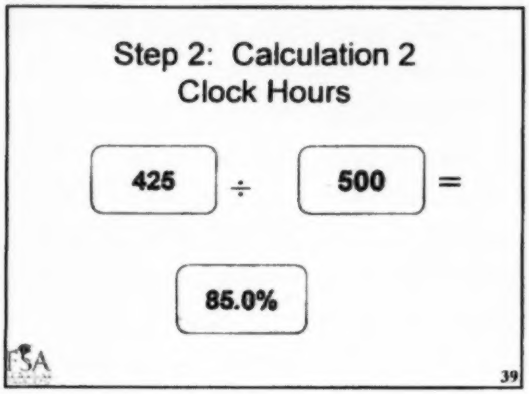
- Written policy publicized to students
  - ✓ Student followed school's policy and was approved
  - ✓ The leave does not involve additional charges
  - ✓ Student allowed to complete coursework begun prior to leave
  - ✓ LOA may not include more than 180 days in any 12-month period



Step 2: Calculation 1 Clock Hours

425 ÷ 1000 =

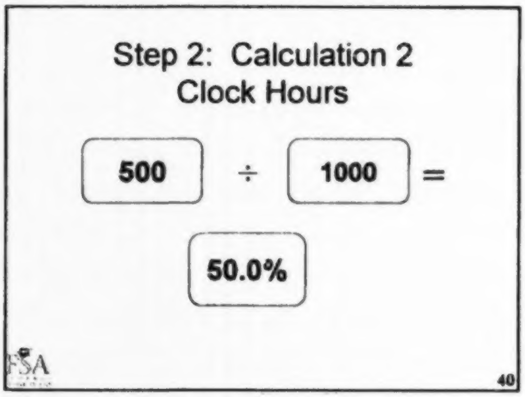
42.5%



Step 2: Calculation 2 Clock Hours

425 ÷ **500** =

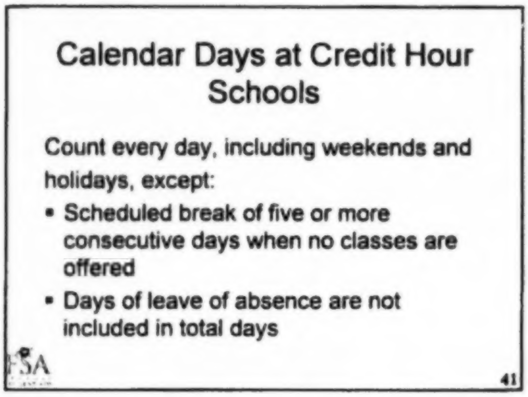
85.0%



Step 2: Calculation 2 Clock Hours

500 ÷ **1000** =

50.0%

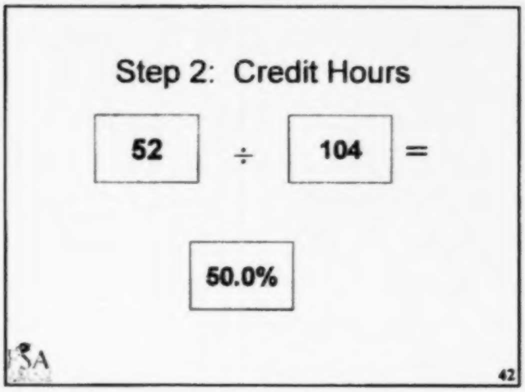


Calendar Days at Credit Hour Schools

Count every day, including weekends and holidays, except:

- Scheduled break of five or more consecutive days when no classes are offered
- Days of leave of absence are not included in total days

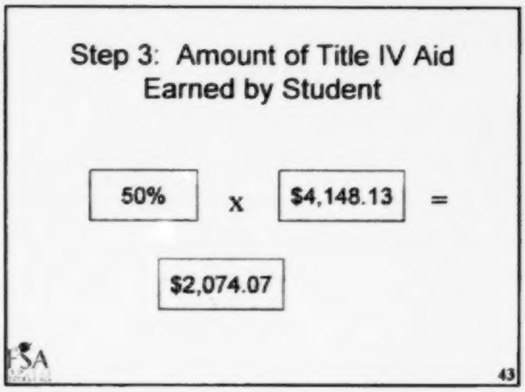
BEST COPY AVAILABLE



Step 2: Credit Hours

52 ÷ 104 =

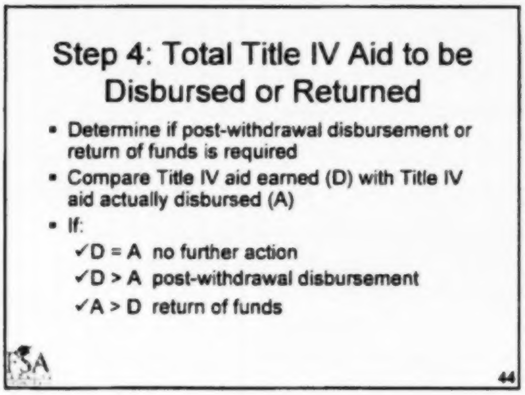
50.0%



Step 3: Amount of Title IV Aid Earned by Student

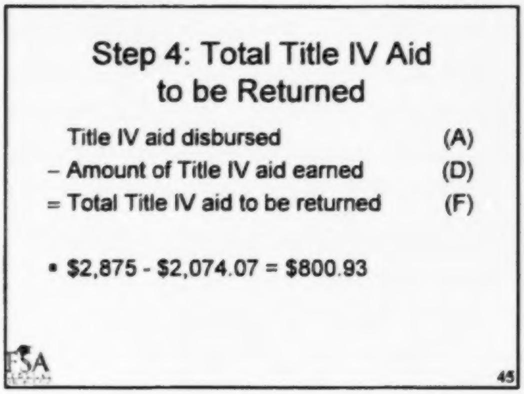
50% x $4,148.13 =

$2,074.07



Step 4: Total Title IV Aid to be Disbursed or Returned

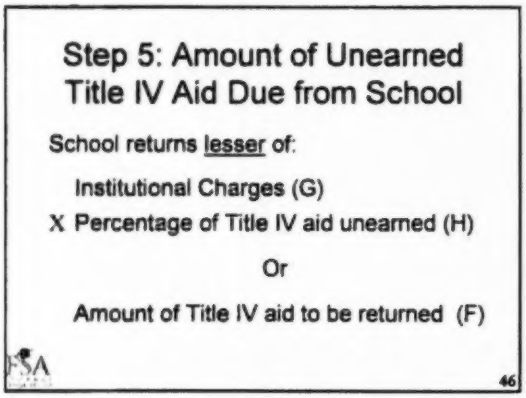
- Determine if post-withdrawal disbursement or return of funds is required
- Compare Title IV aid earned (D) with Title IV aid actually disbursed (A)
- If:
  - ✓D = A no further action
  - ✓D > A post-withdrawal disbursement
  - ✓A > D return of funds



Step 4: Total Title IV Aid to be Returned

Title IV aid disbursed	(A)
– Amount of Title IV aid earned	(D)
= Total Title IV aid to be returned	(F)

- $2,875 - $2,074.07 = $800.93



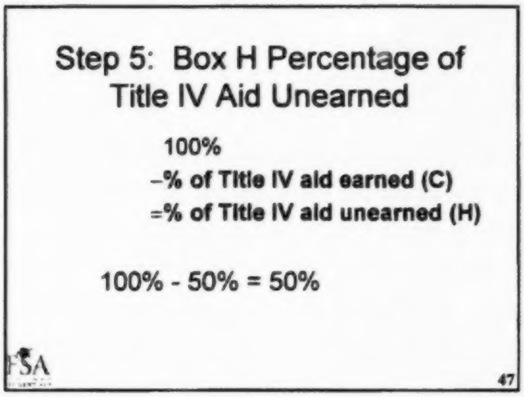
Step 5: Amount of Unearned Title IV Aid Due from School

School returns lesser of:

Institutional Charges (G)
X Percentage of Title IV aid unearned (H)

Or

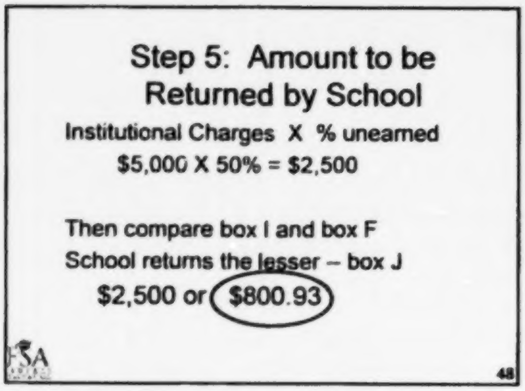
Amount of Title IV aid to be returned (F)



Step 5: Box H Percentage of Title IV Aid Unearned

100%
–% of Title IV aid earned (C)
=% of Title IV aid unearned (H)

100% - 50% = 50%



Step 5: Amount to be Returned by School

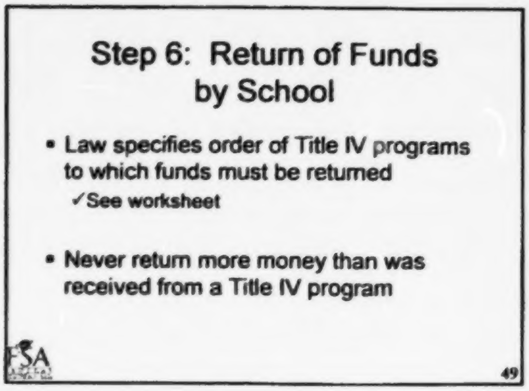
Institutional Charges X % unearned

$5,000 X 50% = $2,500

Then compare box I and box F

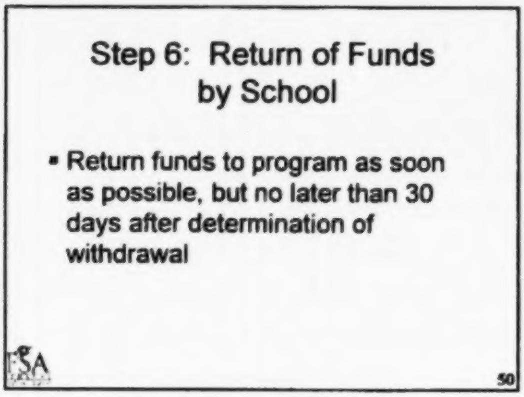
School returns the lesser – box J

$2,500 or $800.93



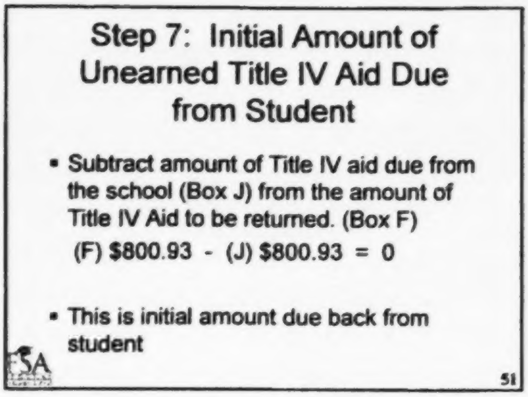
Step 6: Return of Funds by School

- Law specifies order of Title IV programs to which funds must be returned
  - ✓See worksheet
- Never return more money than was received from a Title IV program



Step 6: Return of Funds by School

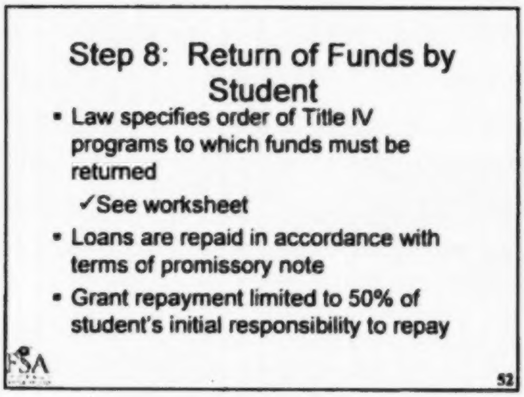
- Return funds to program as soon as possible, but no later than 30 days after determination of withdrawal



Step 7: Initial Amount of Unearned Title IV Aid Due from Student

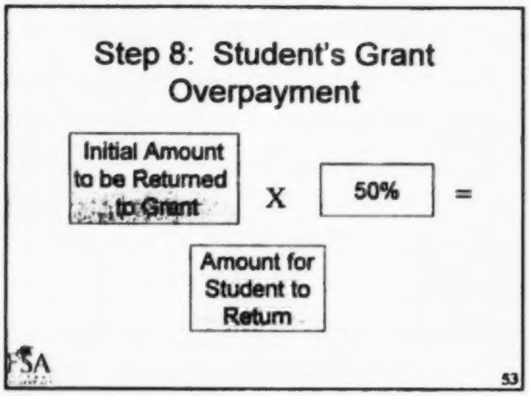
- Subtract amount of Title IV aid due from the school (Box J) from the amount of Title IV Aid to be returned. (Box F)

  (F) $800.93 - (J) $800.93 = 0
- This is initial amount due back from student



Step 8: Return of Funds by Student

- Law specifies order of Title IV programs to which funds must be returned
  - ✓See worksheet
- Loans are repaid in accordance with terms of promissory note
- Grant repayment limited to 50% of student's initial responsibility to repay

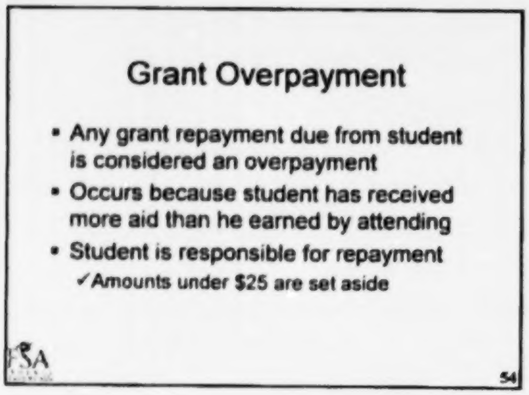


Step 8: Student's Grant Overpayment

Initial Amount to be Returned to Grant X 50% =

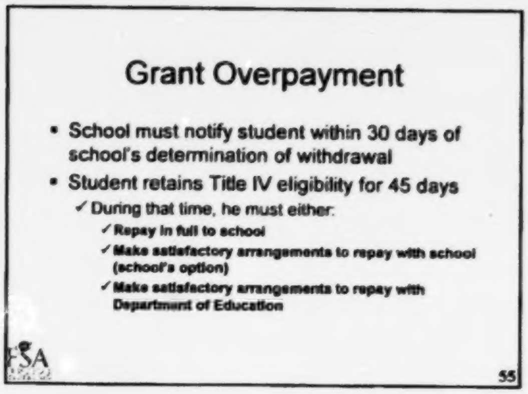
Amount for Student to Return

BEST COPY AVAILABLE



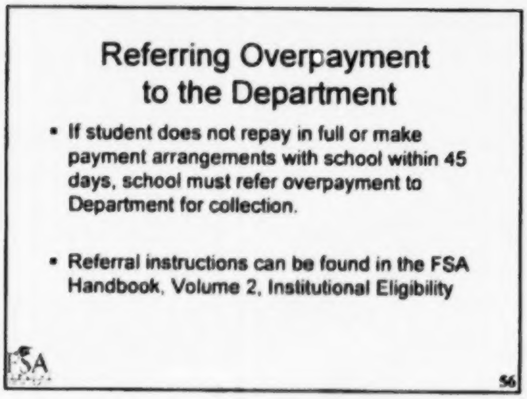
Grant Overpayment

- Any grant repayment due from student is considered an overpayment
- Occurs because student has received more aid than he earned by attending
- Student is responsible for repayment
  - ✓Amounts under $25 are set aside



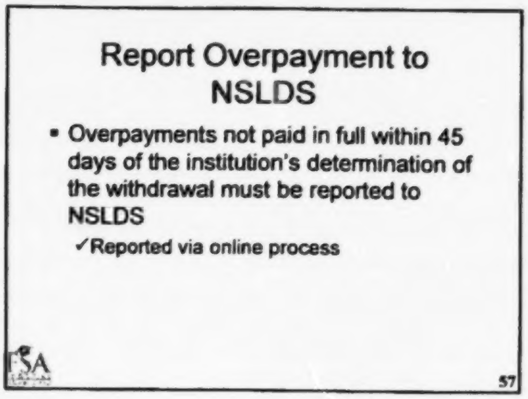
Grant Overpayment

- School must notify student within 30 days of school's determination of withdrawal
- Student retains Title IV eligibility for 45 days
  - ✓During that time, he must either:
    - ✓Repay in full to school
    - ✓Make satisfactory arrangements to repay with school (school's option)
    - ✓Make satisfactory arrangements to repay with Department of Education



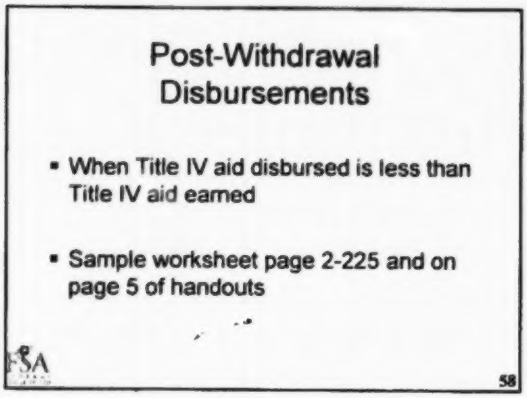
Referring Overpayment to the Department

- If student does not repay in full or make payment arrangements with school within 45 days, school must refer overpayment to Department for collection.
- Referral instructions can be found in the FSA Handbook, Volume 2, Institutional Eligibility



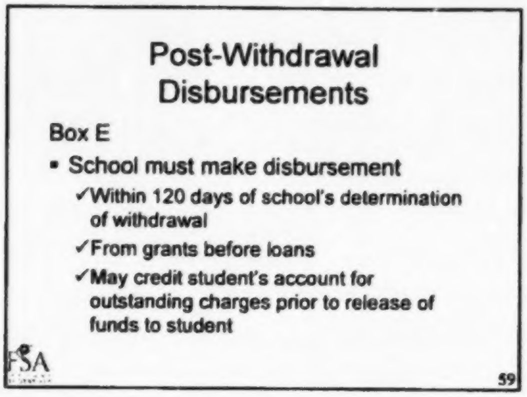
Report Overpayment to NSLDS

- Overpayments not paid in full within 45 days of the institution's determination of the withdrawal must be reported to NSLDS
  - ✓Reported via online process



Post-Withdrawal Disbursements

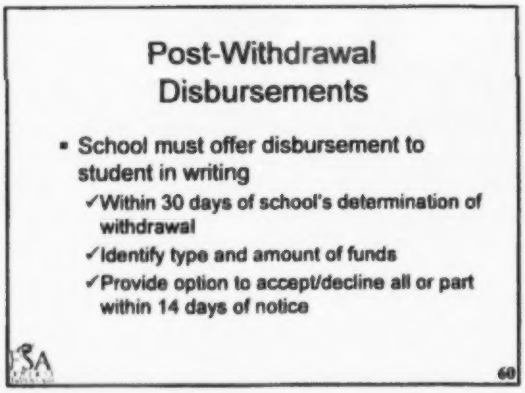
- When Title IV aid disbursed is less than Title IV aid earned
- Sample worksheet page 2-225 and on page 5 of handouts



Post-Withdrawal Disbursements

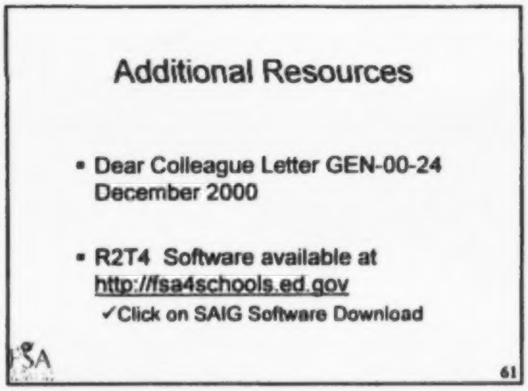
Box E

- School must make disbursement
  - ✓Within 120 days of school's determination of withdrawal
  - ✓From grants before loans
  - ✓May credit student's account for outstanding charges prior to release of funds to student



Post-Withdrawal Disbursements

- School must offer disbursement to student in writing
  - ✓Within 30 days of school's determination of withdrawal
  - ✓Identify type and amount of funds
  - ✓Provide option to accept/decline all or part within 14 days of notice



Additional Resources

- Dear Colleague Letter GEN-00-24 December 2000
- R2T4 Software available at http://fsa4schools.ed.gov
  - ✓Click on SAIG Software Download

Create Reports

- Prepare Reports
- Send Required Reports
- Make Reports Available

Reports and Notifications

What is it?	Who gets it?	How do I report it to ED?	When is it due?
1. **(a) Completion and Graduation Rates** for general student body (Student Right-to-Know) *FSA Handbook*, Vol. 2, Chapter 7, 668.45	▫ ED by reporting ▫ Current and prospective students, only if requested, when requested [668.41(d)(3)] How: Through appropriate publications, mailing, or electronic media sent directly to individuals	▫ Through IPEDS system. For assistance, see: www.nces.ed.gov/ipeds or call 1-877-225-2568 or e-mail the Help Desk at ipedshelp@rti.org	July 1st of each year
(b) Completion, Graduation and Transfer-out Rates for schools that offer athletically-related student aid (Student Right-to-Know) *FSA Handbook*, Vol. 2, Chapter 7 668.48	▫ ED by reporting ▫ Prospective student-athlete when student aid is offered, and to parents, high school coach, and guidance counselor (Note: if school is member of National Collegiate Athletic Association, no notice to coach and counselor) [668.41(f)] through publication, mailing, or electronic media sent directly to individuals	▫ Through IPEDS system. For assistance, see: www.nces.ed.gov/ipeds or call 1-877-225-2568 or e-mail the Help Desk at ipedshelp@rti.org	July 1st of each year
2. **Equity in Athletics:** Report on athletic program participation rates and financial support data *FSA Handbook*, Vol. 2, Chapter 7 668.47	▫ ED by reporting ▫ Prospective students, parents, media, and general public upon request [668.41(g)] How: Through publication, mailing, or electronic media sent directly to individuals	▫ Report is submitted via web site: http://surveys.oped.ed.gov/athletics	Compiled by October 15th of each year and sent to ED no later than 15 days after report is available
3. **Campus Security Report:** (Student Right-to-Know), report on campus crime statistics and security *FSA Handbook*, Vol. 2, Chapter 7 668.46	▫ ED ▫ All current students and employees [668.41(e)] ▫ All prospective students and employees upon request [668.41(e)(4)] How: Through publications, mailings, or electronic media sent directly to individuals. If school chooses to post report to a web site, it must send each individual notice through U.S. mail, campus mail or directly to an e-mail address that (1) identifies information required to be disclosed; (2) provides exact electronic web site address; (3) states that upon request the individual is entitled to paper copy; and (4) informs individual how to request paper copy	▫ Report is submitted via web site: http://surveys.ope.ed.gov/security	October 1st of each year

What is it?	Who gets it?	How do I report it to ED?	When is it due?
4. Drug and Alcohol Abuse Prevention: Materials including standards of conduct, sanctions, health risks, and counseling or treatment programs available *FSA Handbook*, Vol. 2, Chapter 7 668.46(b)	▫ Students, faculty, employees	Must distribute annually; may include information in student and employee handbooks or other publications if distributed to each student and employee	
5. Drug and Alcohol Abuse Prevention: **Applies only to schools that participate in campus-based programs:** Notice of unlawful activities and actions school will take against employees for violations *FSA Handbook*, Vol. 2, Chapter 7 (Drug-Free Workplace Act of 1988, 34 CFR Part 85, Subpart F)	▫ Employees annually **How:** May include information in employee handbooks or other publications if distributed to each employee		
6. Notice to Enrolled Students: Notice of availability of (1) financial assistance available (668.42); (2) information on the institution (668.43); (3) institution's completion or graduation rate and transfer-out rate (668.45); (4) information about students' rights under FERPA (99.7); and (5) information about athletic program participation rates and financial support (668.47) 668.41(c)	▫ Currently enrolled students **How:** School must provide direct individual **notice** to each person annually through direct mailing to each individual through the U.S. mail, campus mail, or electronically directly to an e-mail address. Notice must list and briefly describe the information and tell students how to obtain the information. Posting notice on intranet web site does not constitute a notice. If school discloses **information** by posting on web site, the **notice** must include the exact electronic address and a statement that a paper copy of the information will be provided upon request		
7. Notice to Prospective Students: same notice as above under #6, but must also include notice of Campus Security Report	▫ Prospective students **How:** Directly to prospective students through appropriate publications, mailings, or electronic media		

What is it?	Who gets it?	How do I report it to ED?	When is it due?
8. Financial Aid Information: As set forth in 668.42 *FSA Handbook*, Vol. 2, Chapter 7	▫ Enrolled students and prospective students **How:** Must publish and make readily available		
9. General Information about the School: Information about the school as set forth in 668.43	▫ Enrolled students and prospective students **How:** Must publish and make readily available		
10. FERPA: Family Educational Rights and Privacy Act: notification of rights 34 CFR 99	▫ Enrolled students annually through appropriate publications, mailings, or electronic media		
11. FISAP Report: Fiscal Operations report and Application to Participate. It reports campus-based fund expenditures for the completed award year and requests funds for the upcoming award year as set forth in 673.3. *FSA Handbook*, Vol. 4, Chapter 1	▫ ED	FISAP on the web. www.cbfisap.fsa.ed.gov Obtain software from website: www.fsadownload.ed.gov	October 1^{st} of each year
12. PPA/ECAR Changes: *FSA Handbook*, Vol. 2, Chapter 10 600.20, 600.21	▫ ED See *FSA Handbook* for changes requiring ED's written approval before disbursing funds and changes not requiring ED's written approval to disburse funds	www.eligcert.ed.gov	Within 10 calendar days of change
13. PPA Recertification: *FSA Handbook*, Vol. 2, Chapter 10	▫ ED	www.eligcert.ed.gov	90 days prior to expiration date of PPA

What is it?	Who gets it?	How do I report it to ED?	When is it due?
14. Overpayment due from student as a result of withdrawal from school *FSA Handbook*, Vol. 2, Chapter 6	▫ ED	Electronically through NSLDS and/or refer to ED for collection see referral form and address *FSA Handbook*, Vol. 2	On 46th day after the institution's written notice to student that an overpayment exists.
15. Overpayment due from student (other than result of withdrawal GEN 98-14 *FSA Handbook*, Vol. 1, Chapter 8	▫ ED's Debt Collection Service	Electronically through NSLDS and/or refer to ED for collection See referral form and address *FSA Handbook*, Vol. 1	Within 30 days of learning of overpayment
16. School Closure or Bankruptcy Notice	▫ ED	School submits letter to ED Call Case Management Team	Within 10 calendar days of either event
17. 90/10 Report: (for proprietary schools only) 668.26, 600.5, 668.23 *FSA Handbook*, Vol. 2	▫ ED	Proprietary school that fails to satisfy the 90/10 rule, must notify ED Call Case Management Team	90 days after school's most recently completed fiscal year or July 31st
18. Drug-Free Workplace Certification *FSA Handbook*, Vol. 2, Chapter 2	▫ ED ▫ Students and school staff	School submits as part of FISAP	October 1st of each year
19. Anti-Lobbying Certification *FSA Handbook* Handbook, Vol. 2, Chapter 2, page 2-45	▫ ED	School submits as part of FISAP	October 1st of each year

What is it?	Who gets it?	How do I report it to ED?	When is it due?
20. Audit of Schools Compliance with the Laws and Regulations *FSA Handbook*, Vol. 2, Chapter 11 668.23	▫ ED	School submits compliance audit and audited financial statements either to ED at the address in the *FSA Handbook*, or to the Clearinghouse, if it is an A-133 audit	A-133: due within 9 months of end of school's fiscal year FSA Audit: due within 6 months of end of school's fiscal year
21 (a). COD (Common Origination and Disbursement) (a) Report Pell Grant origination and disbursement information *FSA Handbook*, Vol. 3, Chapter 3 and Vol. 2	▫ ED	Electronically via COD at www.cod.ed.gov Use computer software provided by ED or purchase similar from vendors ED-provided software available through www.fsadownload.ed.gov	(a) Origination and disbursement information is submitted throughout the award year to receive Pell Grant funds for students. Any changes to disbursement information must be reported within 30 days of when the school is aware of the change. Submission deadline Sept. 30

What is it?	Who gets it?	How do I report it to ED?	When is it due?
21 (b). COD (Common Origination and Disbursement) (b) William D. Ford Direct Loan origination and disbursement information Direct Loan School Guide, Chapter 6	▫ ED	Electronically via COD at www.cod.ed.gov Use computer software provided by ED or purchase similar from vendors ED-provided software available through www.fsadownload.ed.gov	(b) Origination and disbursement records submitted throughout award year. Disbursement reported up to 7 days before or within 30 days after disbursement. Changes to disbursement are reported within 30 days of date school is aware of change. Submission deadline generally is July 31 of calendar year following end of award year (e.g., AY 2002-03, deadline is July 31, 2004).
22. Credit Bureau: Schools must report Perkins Loan information: (1) date and amount of each Perkins disbursement to at least one credit bureau; (2) loans that go into default; (3) when defaulted borrower makes 6 consecutive, on-time monthly payments *FSA Handbook*, Vol. 5, Chapter 7 674.16, 674.45	▫ At least one national credit bureau		

What is it?	Who gets it?	How do I report it to ED?	When is it due?
23. NSLDS Enrollment Reporting (formerly Student Status Confirmation Report): Update NSLDS with enrollment status of student who has borrowed Stafford loans or is beneficiary of a PLUS loan. Report if student has graduated, enrolled less-than-half-time or has withdrawn. Report if student's permanent address has changed. *FSA Handbook*, Vol. 8, Chapter 7 682.610, 685.309	▫ ED	Electronically via NSLDS	At least semi-annually but recommended every 60 days If change occurs and no report is scheduled for 60 days, must report within 30 days of becoming aware of the change
24. NSLDS Enrollment Reporting (Perkins Loan Data) Submit updated Federal Perkins loan data to NSLDS *FSA Handbook*, Vol. 2, Chapter 3 668.16	▫ ED	Electronically via NSLDS	Submit Perkins loan data monthly

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

ERIC®

NOTICE

Reproduction Basis

☐ This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

☒ This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").

EFF-089 (3/2000)